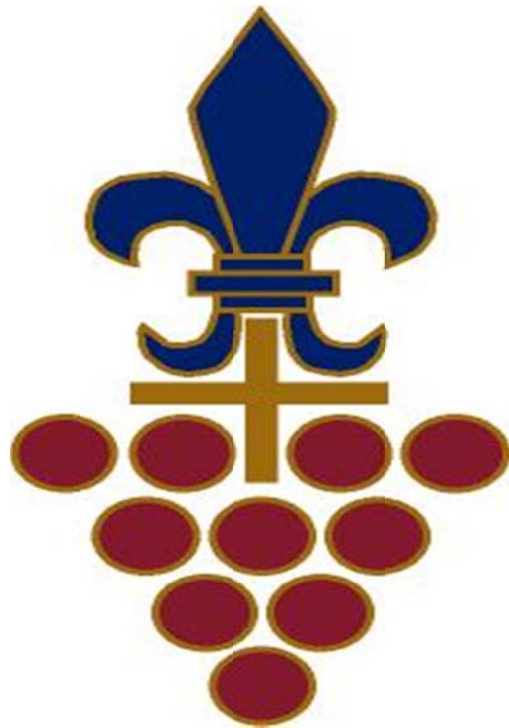
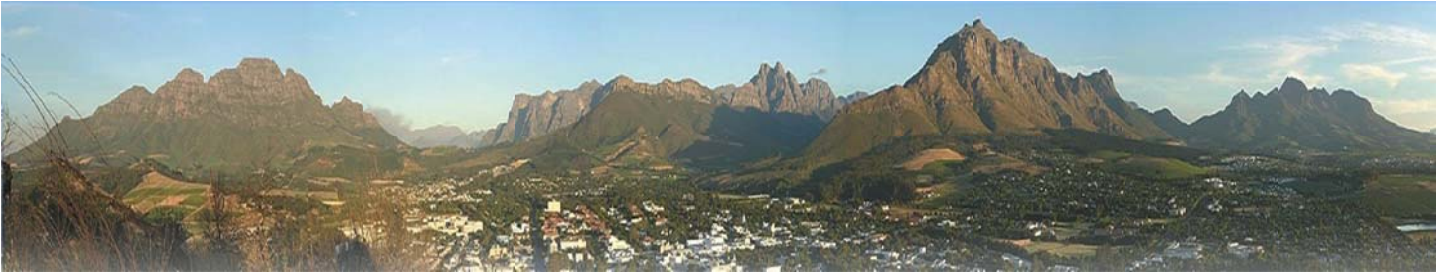


STELLENBOSCH MUNICIPALITY

STELLENBOSCH - PNIEL - FRANSCHHOEK



ANNUAL FINANCIAL STATEMENTS
2011/2012
UNAUDITED

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

General Information

Mayoral committee

Executive Mayor
Deputy Executive Mayor
Speaker
Executive Councillors

CJ Sidego
MG Smuts
C Jooste
PW Biscombe
V Fernandez
N Jindela
SJ Louw
PJ Retief
JP Serdyn
Q Smit
P Venter

Councillors

F Adams
DS Arendse
NM August
HC Bergstedt
DC Botha
A Crombie
J Davids
L De Villiers
R Du Toit
AR Frazenburg
JSA Fourie
N Gcaza
NM Gugushe
DA Hendrickse
JK Hendricks
S Jooste
DD Joubert
MC Johnson
LX Mdemka
C Moses
EL Maree
NE Mcombring
MM Ngcofe
RS Nalumango
N Ntsunguzi
WJ Pretorius
KE Qotywa
L Ronoti
LN Siwakamisa
P Sitshoti
LL Stander
M Wanana

Grading of local authority

Councillors Grade 4
Personnel Grade 10

Accounting Officer

DP Beretti
Tel: (021) 808 8025
Fax: (021) 808 8200

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

General Information

Chief Finance Officer (CFO)

MAC Bolton
Tel: (021) 808 8528
Fax: (021) 808 8574

Registered office

Plein Street
Stellenbosch
7600

Business address

Plein Street
Stellenbosch
7600

Postal address

P O Box 17
Stellenbosch
7599

Bankers

ABSA Bank

Auditors

Auditor General of South Africa

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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The reports and statements set out below comprise the annual financial statements presented to the Auditor General of South Africa:

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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 33 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on page 11 to 94 which have been prepared on the going concern basis, is hereby certified.

Accounting Officer
DP Beretti

Date: 31 August 2012

Statement from the desk of the Chief Financial Officer**1. Introduction**

It is an absolute pleasure to give a brief summary of the financial results of our Council for the financial year ended 30 June 2012.

The municipality, being classified as high capacity, is required to implement Generally Recognised Accounting Practices (GRAP). Accordingly the financial statements for the year ended 30 June 2012, have been prepared in the GRAP format.

The financial activities of the year are reviewed in the various sections of this report.

2. Key financial indicators**Ratio Description****Current Ratio**

The current ratio is used to measure to which extent the municipality's liquid assets (i.e. cash and near cash) are able to cover its short-term liabilities (commitments that must be honored within the year under review) also known as working capital. Working capital refers to the financial resources (available cash) to support the day-to-day operations of the entity giving effect to Section 215 of the Constitution.

The higher the ratio is to 1, the more liquid and solvent the municipality is and able to comply with Section 65 of the MFMA.

Whilst varied views and interpretation exist on what constitutes an acceptable norm for this ratio, the Stellenbosch Municipality deemed it more prudent to maintain a benchmark of at least a ratio of 2:1. The ratio for 2011/2012, apart from showing an improvement, also illustrates the municipality's ability to meet its short term obligations over the medium term and to maintain sound financial practices.

Revenue Management

Actual income vs Budgeted income

It should be noted that the income displayed in the Statement of Financial Performance includes billed income based on prescribed accrual accounting principles. Further discussion on the income performance can be found under number 3 below, but it is however important to draw the attention of users of our statements to the fact that we've improved our budget preparation processes with regard to income modelling which was based on realistically anticipated revenue linked to indepth analysis of consumer profiles, resulting in a more more credible, informed and scientific approach.

Level of reliance on government grants

This ratio illustrates the level of reliance a municipality has on government grants and other funding and it therefore follows from the results that the municipality is able to fund its operations from own sources. It is also important to note that Development Contributions also reflect on this line item as grants which has the effect of giving a somewhat skewed picture. In order to determine real reliance on grant funding, the municipality in future, will distinguish grant funding from Development Contributions.

Expenditure Management

Actual expenditure vs Budgeted expenditure

It should be noted that the expenditure displayed in the Statement of Financial Performance includes billed expenditure and various other financial transactions as allowed for by GRAP.

Personnel costs to total expenditure

The ratio is calculated and based on actual expenditure and not budgeted personnel costs.

Interest paid as percentage of total expenditure

The generally accepted norm in this regard is 15%. The ability to fund our capital programmes, to some extent from own sources, and not external finance, is the main reason that Stellenbosch Municipality is exemplary in the performance of this ratio.

2011/2012	2010/2011
2.95	2.42
103.04%	111.84%
12.67%	11.98%
94.02%	97.47%
28.54%	29.52%
0.80%	0.52%

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement from the desk of the Chief Financial Officer

Ratio Description	2011/2012	2010/2011
Repairs and maintenance/Total expenditure <i>This ratio is calculated to benchmark compliance to National Treasury's Circular 58 issued on 14 December 2011 urging municipalities to prioritise allocations to repairs and maintenance and the renewal of existing infrastructure. The improved result is indicative of Council's commitment to increased investment in its infrastructure asset base.</i>	6.16%	5.25%
Asset Management Acquisition of PPE – Actual vs Budgeted <i>This ratio illustrates the year-on-year improvement in capital spending performance (capacity to spend).</i>	82.30%	77.89%
Consumer debtors collection period <i>The higher the ratio in days the more the likelihood that some debt could be irrecoverable with further financial implications as a result of the multiplier effect on the provision for the impairment of debtors. It is however evident that the ratio improved from the previous year as a result of consistent implementation of our debt management efforts and the outsourcing of key credit control processes. The positive result is indicative of the success achieved with the implementation of improved processes.</i>	46 days	55 days
Debt Management Total liabilities/Total assets <i>Using this ratio to analyse the solvency of the organisation, it is clear that the municipality's assets exceeds it's recorded liabilities by far and confirms the municipality's ability to maintain a sound/healthy level of solvency over the long term.</i>	10.77%	9.72%

3. Operating Results

The overall summarised operating results for the municipality in comparison to the approved budget are shown below. The Statement of Financial Performance reflects a summary of income and expenditure, whilst the segmental operating results per service are shown in Appendix D of the annual financial statements.

	2011/2012		2010/2011	Growth
	Actual	Budget	Actual	
Revenue				
Property Rates	189,497,264	183,197,490	183,291,412	3.39%
Service Charges	506,337,895	479,009,547	454,860,873	11.32%
Grants and subsidies	112,222,021	122,645,227	96,788,179	15.95%
Other	77,916,937	74,983,669	72,777,306	7.06%
	885,974,117	859,835,933	807,717,770	9.69%

	2011/2012		2010/2011	Growth
	Actual	Budget	Actual	
Expenditure				
Employee related costs	225,247,140	231,532,964	215,099,659	4.72%
Bulk purchases	216,533,944	223,269,362	173,670,986	24.68%
Depreciation	96,536,196	111,680,710	90,603,456	6.55%
Finance cost	6,344,344	7,400,278	3,752,321	69.08%
Repairs and Maintenance	48,621,325	58,069,362	38,217,153	27.22%
Other	196,029,097	207,527,099	207,225,412	-5.40%
	789,312,046	839,479,775	728,568,987	8.34%
Net Operating Surplus/(Deficit)	96,662,071	20,356,158	79,148,783	

Revenue has increased by 9.69%, whilst expenditure increased with 8.34% between the respective financial years. A comparison of actual results to the approved budget and explanations for material differences are set out in Appendix E(1) of the financial statements.

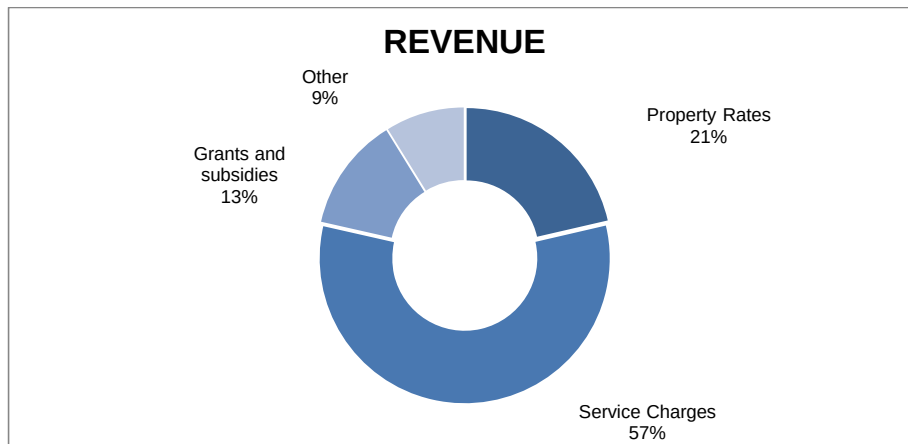
Statement from the desk of the Chief Financial Officer

3.1 Operating revenue

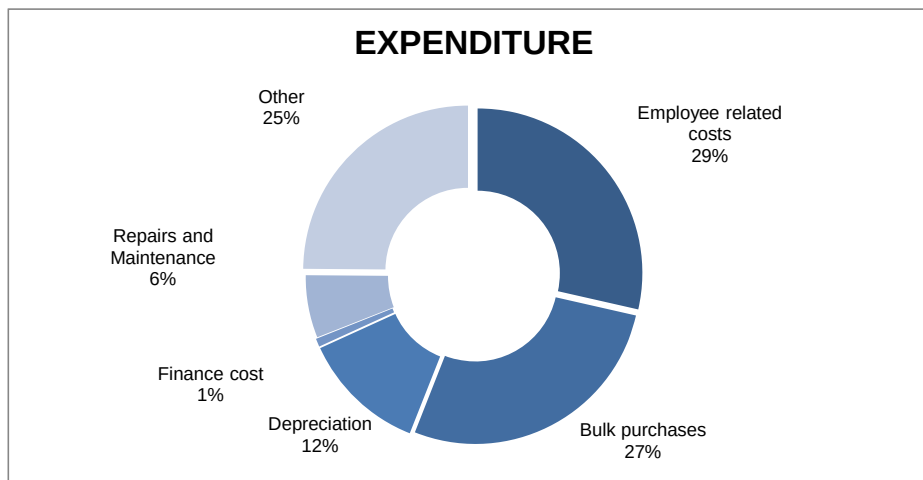
The major revenue streams that supported the programmes and activities of the municipality were:

- property rates
- service charges, which consist of the following:
 - electricity sales
 - water sales
 - waste water management(sewerage and sanitation); and
 - waste management (refuse)
- government grants and subsidies
- other

The municipality experienced total revenue growth of 9.69% on the amounts realised in the previous financial year . The following graph indicates the main categories of income

**3.2 Operating expenditure**

The following graph indicates the main categories of expenditure for the year under review. The proactive management and containment of the increasing cost of delivering services are key priorities in the municipality whilst also trying to comply with National Treasury's Circular No. 58 requiring increased investment in the maintenance of our asset base. Further detail is contained in notes 28 to 44 of the annual financial statements.



Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement from the desk of the Chief Financial Officer

4. Capital expenditure and financing

Capital expenditure incurred during the year amounted to R172 917 312 which represents 82.30% (an improvement on the previous year) of the approved capital budget.

Capital expenditure per function	2011/2012			2010/2011
	Actual	Budget	Variance	Actual
Executive & Council	14,842	60,000	(45,158)	49,854
Budget and Treasury Office	875,321	890,000	(14,679)	509,716
Corporate Services	8,260,957	9,169,056	(908,099)	4,580,247
Community & Social Services	1,166,100	1,090,825	75,275	753,396
Sport & Recreation	5,912,579	5,969,851	(57,272)	6,010,131
Public Safety	2,035,630	2,076,700	(41,070)	863,447
Housing	22,354,220	26,963,736	(4,609,516)	1,684,564
Planning and Development	92,382	220,000	(127,618)	1,813,304
Road Transport	27,903,901	27,676,082	227,819	34,297,892
Electricity	28,108,754	33,877,848	(5,769,094)	4,604,819
Water	15,513,703	17,416,593	(1,902,890)	16,796,646
Waste Water Management	41,859,455	63,000,036	(21,140,581)	26,328,582
Waste management	18,819,466	21,692,830	(2,873,364)	14,402,452
Total expenditure	172,917,312	210,103,557	(37,186,245)	112,695,051

Source of finance	2011/2012			2010/2011
	Actual	Budget	Variance	Actual
Capital Replacement Reserve	79,832,661	86,090,400	(6,257,739)	51,205,369
Grants - National Treasury	21,025,252	25,955,000	(4,929,747.75)	18,536,966
Grants - Provincial Treasury	28,134,365	31,037,726	(2,903,361)	10,097,752
External Borrowings	36,950,275	59,335,302	(22,385,027)	25,006,098
Public Contributions	5,109,124	5,514,400	(405,276)	4,136,368
Other	1,865,635	2,170,729	(305,094)	3,712,498
Total funding	172,917,312	210,103,557	(37,186,245)	112,695,051

5. Consumer Debtors

Outstanding consumer debtors at 30 June 2012 were R114 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R 24 million. In this regard, R19 million was written off (impaired) against the provision during the year under review. The below-mentioned results are indicative of an improvement in management's efforts to manage debt and the management arrangements in place to ensure that Council collect all money due to it.

	2011/2012	2010/2011
Consumer Debtors	89,190,015	98,367,938
Debt Impairment	24,844,248	32,433,987
Gross Consumer Debtors	114,034,263	130,801,925
Billed Revenue	714,326,250	656,058,290
Percentage debt to Service Revenue	15.96%	19.94%
Consumer Debtors less Current Portion	90,671,159	95,026,930
Billed Revenue	714,326,250	656,058,290
Percentage debt to Service Revenue	12.69%	14.48%

Statement from the desk of the Chief Financial Officer

6. Borrowings, Investments and Cash

Interest-bearing debt increased to R 82 million in the financial year ended 30 June 2012 to finance specific infrastructure projects approved by Council. Cash and cash equivalents (cash investments) increased by R 49 million to close off the financial year with R 374 million. The municipality's improved position resulted from amongst other factors from more effective debt management, cost saving strategies and savings on external loan repayments.

7. Cash Flow Analysis

	2011/2012	2010/2011
Cash and cash equivalents - 30 June 2011	325,028,533	246,306,056
Net increase/(decrease) in cash and cash eq.	49,119,832	78,722,477
Cash and cash equivalents - 30 June 2012	374,148,365	325,028,533

8. General

The overall financial results are generally considered to be acceptable and the positive trends are evident in the abovementioned ratios. In order to sustain and improve this situation, the maintenance of sound financial management practices and doing more with less is required as well as the timeous mitigation of risks that impact on financial sustainability by instituting appropriate measures to address such risks. The municipality will have to employ proactive strategies to ensure that services are delivered in the most cost effective manner. The Financial Statements reflects the financial position of Stellenbosch Municipality as at 30 June 2012 and its financial performance and its cash flows for the year ended in accordance with the SA standards of GRAP and in the manner required by the MFMA and DORA.

9. Appreciation

I acknowledge the contribution, loyalty, passion and unselfish dedication with which staff of the Directorate: Financial Services performed there tasks during the year under review and in particular the staff of the Budget Office for their unselfish efforts in ensuring that the preparation and compilation of these financial statements are of a high standard, notwithstanding the challenges experienced as a result of the extent of capital spending during Q4.

Chief Financial Officer
Mark Bolton

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement of Financial Position

Figures in Rand	Note(s)	2012	Restated 2011
Assets			
Current Assets			
Inventories	4	5,160,889	5,158,724
Short term receivables	9	169,492	153,400
Receivables from exchange transactions	5	23,689,467	11,292,071
VAT receivable	6	1,169,197	-
Consumer debtors	3	89,190,015	98,367,938
Cash and cash equivalents	2	374,148,365	325,028,533
		493,527,425	440,000,666
Non-Current Assets			
Biological assets that form part of an agricultural activity	7	14,285,879	15,787,529
Investment property	8	528,780,075	523,325,000
Property, plant and equipment	10	2,721,093,643	2,601,840,977
Intangible assets	11	185,763	192,417
Short term receivables	9	715,379	804,978
		3,265,060,739	3,141,950,901
Non-current assets held for sale and assets of disposal groups		9,095	65,000
Total Assets		3,758,597,259	3,582,016,567
Liabilities			
Current Liabilities			
Other financial liabilities	15	3,968,773	3,782,995
Operating lease liability	14	53,846	145,649
Payables from exchange transactions	17	101,623,271	97,260,529
VAT payable	38	-	3,502,694
Consumer deposits	12	9,714,925	9,374,719
Employee benefit obligations	13	5,035,968	4,483,008
Unspent conditional grants and receipts	18	41,808,603	57,096,340
Provisions	16	6,462,028	6,418,793
		168,667,414	182,064,727
Non-Current Liabilities			
Other financial liabilities	15	78,889,967	37,758,913
Employee benefit obligations	13	143,252,513	131,602,659
Provisions	16	58,891,930	49,930,677
		281,034,410	219,292,249
Total Liabilities		449,701,824	401,356,976
Net Assets		3,308,895,435	3,180,659,591
Net Assets			
Reserves			
Revaluation reserve	21	965,462,323	927,354,551
Housing Development Fund	20	5,922,663	2,473,721
Accumulated surplus	19	2,337,510,449	2,250,831,319
Total Net Assets		3,308,895,435	3,180,659,591

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement of Financial Performance

Figures in Rand	Note(s)	2012	Restated 2011
Revenue			
Property rates	22	189,497,264	183,291,412
Service charges	27	506,337,895	454,860,873
Property rates - penalties imposed and collection charges	22	2,918,845	2,794,773
Rental of facilities and equipment	26	11,537,204	11,282,684
Interest Earned - Outstanding Debtors	24	4,035,042	3,828,548
Income from agency services		1,351,509	989,589
Fines		11,133,590	14,061,496
Licences and permits		4,979,114	4,019,388
Government grants & subsidies	23	112,222,021	96,788,179
Other income	25	18,469,448	16,044,192
Interest received - investment	24	23,492,185	19,756,636
Total Revenue		885,974,117	807,717,770
Expenditure			
Employee related costs	31	(225,247,140)	(215,099,659)
Remuneration of councillors	33	(12,125,389)	(9,681,174)
Contribution to/from provisions	40	(23,752,862)	(34,669,305)
Depreciation and amortisation	29	(96,536,196)	(90,603,456)
Impairment loss/ Reversal of impairments		-	(7,970,286)
Finance costs	42	(6,344,344)	(3,752,321)
Debt impairment	30	(19,397,224)	(11,316,077)
Collection costs		(650,739)	(94,136)
Repairs and maintenance		(48,621,325)	(38,217,153)
Bulk purchases	28	(216,533,944)	(173,670,986)
Contracted services	43	(8,890,928)	(8,182,022)
Grants and subsidies paid	44	(296,093)	(564,982)
General Expenses	32	(136,549,203)	(139,683,323)
Total Expenditure		(794,945,387)	(733,504,880)
Loss on disposal of assets		-	(3,317)
Fair value adjustments	41	5,440,107	4,795,074
Gain on biological assets and agricultural produce		194,464	265,617
Inventories: (Write-down)/reversal of write-down to net realisable value		(1,230)	(121,481)
Surplus for the year		96,662,071	79,148,783

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing Development Fund	Total reserves	Accumulated surplus	Total net assets
Balance at 01 July 2010	872,522,911	8,673,735	881,196,646	2,175,033,373	3,056,230,019
Changes in net assets					
Surplus for the year	-	-	-	79,148,783	79,148,783
Land and buildings revaluation	31,874,249	-	31,874,249	-	31,874,249
Transfer to housing development fund	-	3,350,837	3,350,837	(3,350,837)	-
Movement on Surplus	-	(9,550,851)	(9,550,851)	-	(9,550,851)
Movement in Revaluation Reserve	22,957,391	-	22,957,391	-	22,957,391
Total changes	54,831,640	(6,200,014)	48,631,626	75,797,946	124,429,572
Balance at 01 July 2011	927,354,551	2,473,721	929,828,272	2,250,831,319	3,180,659,591
Changes in net assets					
Surplus for the year	-	-	-	96,662,071	96,662,071
Revaluation of land and buildings	32,662,726	-	32,662,726	-	32,662,726
Transfer to housing development fund	-	4,537,895	4,537,895	(4,537,895)	-
Movement on Surplus	-	(1,088,953)	(1,088,953)	-	(1,088,953)
Fair Value Adjustment	5,445,046	-	5,445,046	(5,445,046)	-
Total changes	38,107,772	3,448,942	41,556,714	86,679,130	128,235,844
Balance at 30 June 2012	965,462,323	5,922,663	971,384,986	2,337,510,449	3,308,895,435
Note(s)	21	20			

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Cash Flow Statement

Figures in Rand	Note(s)	2012	Restated 2011
Cash flows from operating activities			
Receipts			
Sale of goods and services		753,374,366	667,840,953
Grants		96,933,820	95,274,372
Interest income		23,492,185	19,756,636
		<u>873,800,371</u>	<u>782,871,961</u>
Payments			
Employee costs		(237,925,489)	(224,398,873)
Suppliers		(439,899,834)	(366,467,476)
Finance costs		(6,344,344)	(3,752,321)
		<u>(684,169,667)</u>	<u>(594,618,670)</u>
Net cash flows from operating activities	34	<u>189,630,704</u>	<u>188,253,291</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(183,597,325)	(113,217,727)
Proceeds from sale of property, plant and equipment	10	-	7,045
Increase/Decrease in long term receivables		73,507	(147,024)
Proceeds from sale of biological assets that form part of an agricultural activity	7	1,696,114	2,089,100
Proceeds from sale of other assets		-	(3,317)
Net cash flows from investing activities		<u>(181,827,704)</u>	<u>(111,271,923)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(6,357,560)	(3,153,551)
Increase in loan Received		47,674,391	4,733,350
Net cash flows from financing activities		<u>41,316,832</u>	<u>1,741,109</u>
Net increase/(decrease) in cash and cash equivalents		49,119,832	78,722,477
Cash and cash equivalents at the beginning of the year		325,028,533	246,306,056
Cash and cash equivalents at the end of the year	2	<u>374,148,365</u>	<u>325,028,533</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1. Basis of Preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated financial statements and accounting for controlled entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interest in Joint Ventures
GRAP 9	Revenue
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

GRAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

These accounting policies and the applicable disclosures have been based on the International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non Cash-Generating Assets
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an arrangement contains a lease

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Revenue Recognition

Accounting Policy 1.14 on Revenue from Exchange Transactions and Accounting Policy 1.15 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Financial assets and liabilities

The classification of financial assets and liabilities is based on judgement by management.

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of Financial Assets - Accounting Policy 1.12: Financial Instruments, referring to paragraph on Impairment of Financial Assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the Annual Financial Statements.

Useful lives of Property, Plant and Equipment - As described in Accounting Policy 1.7, the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge and are revalued annually.

Defined Benefit Plan Liabilities - The municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the Annual Financial Statements.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

1.2 Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and amounts are rounded off to the nearest R1.

1.3 Going Concern Assumption

The annual financial statements have been prepared on the basis that the municipality is a going concern and will continue in operation for the foreseeable future.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.4 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.5 Internal reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Capitalisation reserve

On the implementation of GAMAP/GRAP, the balance of certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, were transferred to a Capitalisation Reserve rather than the accumulated surplus/deficit, as in prior years, in terms of a directive (Circular No. 18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus/deficit.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/deficit.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.5 Internal reserves (continued)

Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

1.6 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment in particular land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

Measurement

Property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent to initial recognition, items of property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, where applicable.

Subsequent to initial recognition, buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.7 Property, plant and equipment (continued)

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets and after taking into account the residual value of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following originally estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

Infrastructure		Other	
	Years		Years
Roads and Paving	10-100	Buildings	30
Electricity	10-50	Specialist vehicles	10
Water	10-100	Other vehicles	5
Sewerage	10-100	Office equipment	1-7
Housing	30	Furniture and fittings	1-10
		Watercraft	15
Community		Bins and containers	5
Improvements	30	Specialized plant and	
Recreational Facilities	20-30	Equipment	10-15
Security	5	Other plant and	
		Equipment	2-5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statements of Financial Performance.

Heritage assets

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

Land

Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

Disposal of property, plant and equipment

The book values of assets are written off on disposal. The difference between the carrying value of assets and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.7 Property, plant and equipment (continued)

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost of fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Intangible assets with finite useful lives are amortised over its useful life. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised but is subject to an annual impairment test.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary asset, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Intangible assets are annually tested for impairment.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The intangible assets under the control of the municipality are amortised according to the straight line method as follows:

Item	Useful life
Computer software, other	3 years

Stellenbosch Municipality

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Accounting Policies

1.9 Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods and services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. The valuations are performed annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of the surplus and deficit.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property and from property held for sale in the ordinary course of business:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- land held for a currently undetermined future use.
- a building owned and leased out under one or more operating leases
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- a building that is vacant but is held to be leased out under one or more operating leases.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

1.10 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.11 Biological assets that form part of an agricultural activity

Biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the municipality, if the municipality:

- Controls the asset as a result of a past event.
- Regards the inflow of future economic benefits from the use of the asset to be probable.
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Biological assets are measured at fair value at each financial year end, less estimated point-of-sale costs. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Point-of-sale costs include commissions to brokers, levies by regulatory agencies and as well as transfer taxes and duties.

The changes in fair value less point-of-sale costs from one financial year end to the next are recognised as revenue in the Statement of Financial Performance

Item	Useful life
Trees in a plantation forest	Indefinite

1.12 Financial Instruments

Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- Financial assets at fair value through profit or loss.
- Loans and Receivables,
- Held to maturity investments and
- Financial assets available for sale.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.12 Financial Instruments (continued)

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially and subsequently measured at fair value at the statement of financial position date, except for investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Impairment of financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exist that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of a debtor. If there is such evidence, the recoverable amount is estimated and an impairment loss is recognised in surplus or deficit.

An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer debtors are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

Other debtors consist among other of various debtors and/or suspense accounts with debit balances. These other debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable. Should an individual debtor or group of debtors and or suspense account be regarded as irrecoverable, a provision for impairment is made.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account and the amount of loss is recognised in the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.12 Financial Instruments (continued)

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

The municipality measures all financial liabilities including trade and other payables, at amortized cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Trade Payables and Other

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, which is the initial carrying amount, less repayments, plus interest.

Derecognition of financial assets and liabilities

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.13 Inventories

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable..

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs

Stellenbosch Municipality

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Accounting Policies

1.14 Revenue from exchange transactions

Revenue is derived from a variety of sources that include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where revenue and the underlying asset (receivable) has already been recognised based on the information available at the time of the transaction and subsequently arises as to the recoverability of the receivable, an impairment loss, also known as a bad debt provision, is created and the provision is set-off against the receivables, as a provision for impairment.

Revenue is recognised as follows:

Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Pre-paid electricity

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

1.15 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Fines

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

When an estimate can be made for the revenue amount that is expected to be collected from spot fines based on past experience of amounts collected, this is recognized as revenue. Where a reliable estimate cannot be made, revenue from spot fines is recognized when paid by the offender. Revenue from the issuing of summonses is only recognized when notified by the public prosecutor of the amount actually collected.

Donations and Contributions

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. Conditions on a transferred asset give rise to a present obligation on initial recognition.

On initial recognition, gifts and donations (including goods in-kind) are measured at their fair value as at the date of the acquisition, which may be ascertained by reference to an active market, or by appraisal.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

Unallocated deposits

Unallocated deposits in the municipality's bank account are temporarily posted to a separate suspense account. The balance in this account at year-end is disclosed as a creditor in the annual financial statements. Amounts not allocated within three years are transferred to revenue under 'other income'. In the unlikely event of an amount subsequently (after three years) identified as a payment on a consumer debtor account, any re-allocation will be treated as a correction of a prior period error in terms of GRAP 3.

1.16 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

1.17 Employee benefits

Short-term employee benefits

The costs of all short-term employee benefits those payable within 12 months after service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) such as leave pay, are recognised during the period in which the employee renders the related service and are not discounted. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.17 Employee benefits (continued)

The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Municipality provides retirement benefits for its employees and councillors that includes post retirement medical aid benefits and long service awards.

Medical Aid: Continued Members

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Actuarial Gains and Losses

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed bi-annually.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to applicable note of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave days owing to employees and is reviewed annually.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

Provision for removal of alien vegetation

At year end a provision is raised for the removal of alien vegetation. The provision is the net present value of the future cash flows of removing existing alien vegetation at year end.

Provision for constructive obligations (Grant-in-aid contributions)

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.19 Leases

The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities are raised as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense on a straight-line basis (where applicable) over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. Any contingent rents are expensed in the period they are incurred.

The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.19 Leases (continued)

Rental income from operating leases is recognised and recorded on a straight-line basis (where applicable) over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income from leases is disclosed under revenue in the Statement of Financial Performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.20 Borrowing costs

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.21 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at fair value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.22 Value Added Tax

The Municipality accounts for Value Added Tax on the cash (receipt) basis.

1.23 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.24 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was recorded. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27 Foreign currencies

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

1.28 Comparative figures

Current year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

1.30 Related parties

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.31 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.32 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipalities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements.

1.33 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

- GRAP 18 Segment Reporting - issued March 2005
- GRAP 20 Related Party Disclosures- issued June 2011
- GRAP 25 Employee Benefits - issued February 2008
- GRAP 105 Transfer of Function Between Entities Under Common Control- issued November 2010
- GRAP 106 Transfer of Function Between Entities Not Under Common Control- issued November 2010
- GRAP 107 Mergers - issued November 2010

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date has not been determined yet.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality, atleast not for the year under review.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
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2. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5,710	5,710
Bank balances	36,192,838	23,796,130
Short-term deposits	337,949,817	301,226,693
	374,148,365	325,028,533

Current investment deposits

Call deposits	337,949,817	301,226,693
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Call Deposits are investments with a maturity period between 3 and 12 months and earn interest varying from 7 % to 15 % per annum.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	2012	2011	2010	2012	2011	2010
ABSA Bank - Stellenbosch Branch - Primary Bank Account - 410 188 031	27,392,603	14,581,609	15,123,125	36,192,838	23,796,130	21,327,751
ABSA Bank - Stellenbosch Branch - Municipal Services Account - 407 007 5635	-	-	-	-	-	-
ABSA Bank - Stellenbosch Branch - Traffic Account - 407 157 9787	-	-	-	-	-	-
ABSA BANK - Stellenbosch Branch - Cheque account - 406 816 5969	-	-	-	-	-	-
ABSA BANK - Stellenbosch Branch - Call account - 905 7799 790	-	-	-	-	-	-
Total	27,392,603	14,581,609	15,123,125	36,192,838	23,796,130	21,327,751

Cash and cash equivalents

The following bank accounts, 406-816-5969 and 905-7799-790 were closed during the financial year as it was not in use.

Included in Cash and Cash equivalents, an amount of R100 000 is held as a guarantee at the Post Office.

Cash Floats and Advances	5,710	5,710
Other Cash Equivalents	36,192,838	23,796,130
Cash on hand in Cash Floats, Advances and Equivalents	36,198,548	23,801,840

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
3. Consumer debtors		
Gross balances		
Rates	32,051,132	32,099,204
Electricity	13,807,197	24,073,898
Water	27,234,583	28,144,935
Sewerage	9,035,392	8,402,652
Refuse	9,980,098	9,027,638
Housing rental	15,899,922	21,183,547
Sundry	6,025,939	7,870,051
	114,034,263	130,801,925
Less: Provision for debt impairment		
Rates	(3,108,112)	(7,046,038)
Electricity	(1,332,965)	(2,415,411)
Water	(3,125,317)	(4,479,266)
Sewerage	(919,117)	(1,408,378)
Refuse	(1,017,435)	(1,521,858)
Housing rental	(11,999,377)	(14,177,885)
Sundry	(3,341,925)	(1,385,151)
	(24,844,248)	(32,433,987)
Net balance		
Rates	28,943,020	25,053,166
Electricity	12,474,232	21,658,487
Water	24,109,266	23,665,669
Sewerage	8,116,275	6,994,274
Refuse	8,962,663	7,505,780
Housing rental	3,900,545	7,005,662
Sundry	2,684,014	6,484,900
Total Consumer Debtors	89,190,015	98,367,938
Rates		
Current (0 -30 days)	5,723,776	5,290,869
31 - 60 days	926,885	1,130,982
61 - 90 days	691,562	958,430
91 - 120 days	533,927	646,096
121 - 365 days	7,111,151	9,359,088
> 365 days	17,063,831	14,713,739
	32,051,132	32,099,204
Electricity		
Current (0 -30 days)	9,392,428	17,983,774
31 - 60 days	810,754	901,395
61 - 90 days	245,356	639,806
91 - 120 days	178,032	405,211
121 - 365 days	918,138	1,143,343
> 365 days	2,262,489	3,000,369
	13,807,197	24,073,898

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
3. Consumer debtors (continued)		
Water		
Current (0 -30 days)	4,653,820	7,313,434
31 - 60 days	1,398,681	1,429,590
61 - 90 days	1,183,674	1,767,583
91 - 120 days	1,047,668	1,241,167
121 - 365 days	5,203,719	5,391,409
> 365 days	13,747,021	11,001,753
	27,234,583	28,144,936
Sewerage		
Current (0 -30 days)	1,051,006	996,380
31 - 60 days	326,704	369,414
61 - 90 days	275,931	325,695
91 - 120 days	258,621	292,457
121 - 365 days	2,116,280	2,391,053
> 365 days	5,006,850	4,027,653
	9,035,392	8,402,652
Refuse		
Current (0 -30 days)	991,842	895,461
31 - 60 days	333,212	341,123
61 - 90 days	290,544	302,242
91 - 120 days	274,886	297,043
121 - 365 days	2,351,770	2,366,895
> 365 days	5,737,844	4,824,874
	9,980,098	9,027,638
Housing rental		
Current (0 -30 days)	514,246	519,802
31 - 60 days	216,115	397,361
61 - 90 days	203,230	391,325
91 - 120 days	202,224	285,703
121 - 365 days	1,733,279	4,456,845
> 365 days	13,030,828	15,132,511
	15,899,922	21,183,547
Sundry		
Current (0 -30 days)	1,035,986	2,775,275
31 - 60 days	187,632	161,704
61 - 90 days	501,257	139,505
91 - 120 days	155,100	322,747
121 - 365 days	1,192,759	845,772
> 365 days	2,953,205	3,625,048
	6,025,939	7,870,051
Reconciliation of debt impairment provision		
Balance at beginning of the year	(32,433,985)	(34,455,675)
Contributions to provision	7,589,737	2,021,688
Debt impairment written off against provision	19,397,224	11,316,077
Reversal of provision	(19,397,224)	(11,316,077)
	(24,844,248)	(32,433,987)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

3. Consumer debtors (continued)

Fair value of Consumer Debtors: Government Debt Rates	Electricit	Refuse Removal	Sewerage	Water	Sundries	Total
Consumer debtors						
State Properties	8	-	-	-	-	8
State Property Annual	855,057	4,139	3,974	3,329	1,760	2,222
State Property Monthly	7,214	240,795	12,024	41,396	121,607	287,091
State Property Tenants	681	30,817	5,121	10,015	377,965	2,953
Schools	80,594	159,508	13,028	55,090	157,267	-
Educational Facilities	-	826	9,621	24,905	46,970	-
						82,322

Consumer Debtors are billed monthly, latest end of month. No interest is charged on trade receivables until the 7th of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. The municipality strictly enforces its approved Credit Control and Debt Collection Policy to ensure the recovery of Outstanding Consumer Debtors.

Deposits are required to be paid for all services accounts opened. There are no individual consumers, representing more than 5% of the total balance of Consumer Debtors.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer Debtors.

In determining the recoverability of debtors, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Consumer Debtors has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
4. Inventories		
Consumable stores	5,062,785	5,072,710
Water	98,104	86,014
	5,160,889	5,158,724

The Statement of Financial Performance include R1 230 (2011: R121 481) in respect of write-downs of inventory to net realisable value.

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost or net realisable value. The total carrying amount relating to inventories amount to R5 160 889.

The amount of the inventory written down is R1 230 and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of fuel shortages, damaged stock and shortages on general stock items as reported and approved accordingly. No inventories were pledged as security for liabilities.

The comparative figures were restated. Refer to the prior period error note 56.

5. Receivables from exchange transactions

Insurance debtor	286,126	335,120
Capital debtors	5,445,866	4,184,781
Other	17,468,015	6,148,366
Sundry	489,460	623,804
	23,689,467	11,292,071

Capital debtors represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

The average credit period for Other Debtors is 30 days. The municipality strictly enforces its approved credit control policy to ensure the recovery of Other Debtors.

No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one percent per annum on the outstanding balance.

The management of the municipality is of the opinion that the carrying value of Other Debtors approximate their fair values.

The comparative figures were restated. Refer to the prior period error note 56.

6. VAT receivable

South African Revenue Services	1,169,197	-
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The comparative figures were restated. Refer to the prior period error note 56.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
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7. Biological assets that form part of an agricultural activity

	2012			Restated 2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in a plantation forest	14,285,879	-	14,285,879	15,787,529	-	15,787,529

Reconciliation of biological assets that form part of an agricultural activity - 2012

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	15,787,529	(1,496,682)	(4,968)	14,285,879

Reconciliation of biological assets that form part of an agricultural activity - 2011

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	13,529,438	(1,823,483)	4,081,574	15,787,529

Non - Financial information

Nature and Quantities of each biological asset	Opening Balance	Less: Decrease due to Harvest	Fair Value Decrease (-)/Increase for the year	Closing balance
Idasvalley Plantation	25,428	(25,428)	-	-
Botmanskop Plantation	4,532,052	-	29,778	4,561,830
Paradyskloof Plantation	10,551,968	(793,173)	(34,746)	9,724,050
Louwsbos Plantation	678,080	(678,080)	-	-
	15,787,528	(1,496,681)	(4,968)	14,285,880

The determination of fair value was as follow:

Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R652/m3 excluding 14% VAT. This value was given to all trees, irrespective of age as it is difficult to determine a value for different aged trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m3/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204.

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7. Biological assets that form part of an agricultural activity (continued)

Description of the Biological Assets

- | | |
|--------------------------------------|--|
| 1. Botmanskop plantation (Block E) | Some compartments remain which can be harvested at a later stage due to the age of the trees |
| 2. Papegaaiberg (Block F) | Permanently excised. In process of applying for nature reserve status. |
| 3. Paradyskloof plantation (Block G) | Some compartments remain which can be harvested at a later stage due to the age of the trees |

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

8. Investment property

	2012			Restated 2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	528,780,075	-	528,780,075	523,325,000	-	523,325,000

Reconciliation of investment property - 2012

	Opening balance	Fair value adjustments	Total
Investment property	523,325,000	5,455,075	528,780,075

Reconciliation of investment property - 2011

	Opening balance	Fair value adjustments	Total
Investment property	522,611,500	713,500	523,325,000

Method of Asset Valuation 2012

1. The date of valuation was 30 June 2012

2. Method:

2.1 The general valuation of 2008 was used as basis and measured against more or less similar sales records in the deeds office to determine movement between 2011 and 2012.

Different areas with the same demography were identified during which sales within such areas was further analysed to calculate a more accurate increase per area.

Stellenbosch Municipality

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	2012	Restated 2011
8. Investment property (continued)		
2.2 The following different areas with the same demography were identified:		
(a) Idasvalley and Cloetesville		
(b) Uniepark, die Weides and Mostertsdrift		
(c) Central Business District of Stellenbosch		
(d) Brandwag, Die Boord, Paradyskloof and Onder Papagaaienberg.		
(e) Welgevonden		
(f) Franschhoek		
(g) Pniel, Kylemore, Le Roux, Jamestown		
(h) Klipmuts		
(i) Kayamandi		
2.3 The valuator's recommendation was that the valuations of Wemmershoek, La Motte, Lanquedoc remains the same as the 2011 valuations because this is sub economic housing and the sales (if any) are subsidized.		
A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Revaluation of all Investment Property was performed by an accredited registered valuator, Mr. H Badenhorst.		
9. Short term receivables		
Current receivables		
Receivables	169,492	153,400
Loans and receivables		
Land sales	6,809	42,275
Officials: Erven loans	57,439	63,434
Farmers: Water scheme	340,104	351,415
Housing selling scheme loans	1,987,187	2,133,082
Impairment - Land sales	(4,290)	(26,633)
Impairment - Officials: Erven loans	(36,186)	(39,963)
Impairment - Farmers: Water scheme	(214,265)	(221,391)
Impairment - Housing selling scheme loans	(1,251,927)	(1,343,841)
Transfer to Current Portion	(169,492)	(153,400)
	715,379	804,978
Total other financial assets	884,871	958,378
Non-current assets		
Loans and receivables	715,379	804,978
Current assets		
Loans and receivables	169,492	153,400
	884,871	958,378

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest at 7% per annum and are repayable over 10 years.

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Provision for impairment of Long Term Debtors has been made for all Long Term Debtor balances outstanding based on the payment ratio over 12 months.

Stellenbosch Municipality

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10. Property, plant and equipment

	2012			Restated 2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	821,131,755	(12,584,254)	808,547,501	793,677,362	(8,882,063)	784,795,299
Infrastructure	2,154,007,785	(476,661,132)	1,677,346,653	2,044,796,407	(389,443,018)	1,655,353,389
Community	83,995,674	(7,184,397)	76,811,277	78,406,086	(4,554,487)	73,851,599
Heritage	143,945	-	143,945	143,945	-	143,945
Other property, plant and equipment	222,346,163	(64,101,896)	158,244,267	145,475,087	(57,778,342)	87,696,745
Total	3,281,625,322	(560,531,679)	2,721,093,643	3,062,498,887	(460,657,910)	2,601,840,977

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Transfers	Revaluations	Depreciation	Total
Buildings	784,795,299	1,115,567	(7,927,949)	32,655,696	(2,091,112)	808,547,501
Infrastructure	1,655,353,389	100,924,305	(523,717)	-	(78,407,324)	1,677,346,653
Community	73,851,599	5,605,873	(16,285)	-	(2,629,910)	76,811,277
Heritage	143,945	-	-	-	-	143,945
Other property, plant and equipment	87,696,745	75,951,580	7,944,234	-	(13,348,292)	158,244,267
Total	2,601,840,977	183,597,325	(523,717)	32,655,696	(96,476,638)	2,721,093,643

Stellenbosch Municipality

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Prior Period Error	Total
Buildings	809,916,170	-	-	490,000	30,596,285	(366,872)	(7,970,284)	(47,870,000)	784,795,299
Infrastructure	1,668,958,819	61,622,766	-	(739,790)	-	(74,488,406)	-	-	1,655,353,389
Community	65,210,853	11,053,203	-	-	-	(2,412,457)	-	-	73,851,599
Heritage	143,945	-	-	-	-	-	-	-	143,945
Other property, plant and equipment	60,491,100	40,541,758	(7,045)	-	-	(13,329,068)	-	-	87,696,745
	2,604,720,887	113,217,727	(7,045)	(249,790)	30,596,285	(90,596,803)	(7,970,284)	(47,870,000)	2,601,840,977

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Method of Asset Valuation 2012

1. The date of valuation was 30 June 2012

2. Method:

2.1 The general valuation of 2008 was used as basis and measured against more or less similar sales records in the deeds office to determine movement between 2011 and 2012.

Different areas with the same demography were identified during which sales within such areas were further analysed to calculate a more accurate increase per area.

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10. Property, plant and equipment (continued)

2.2 The following different areas with the same demography were identified:

- (a) Idasvalley and Cloetesville
- (b) Uniepark, die Weides and Mostertsdrift
- (c) Central Business District of Stellenbosch
- (d) Brandwag, Die Boord, Paradyskloof and Onder Papagaaiberg.
- (e) Welgevonden
- (f) Franschhoek
- (g) Pniel, Kylemore, Le Roux, Jamestown
- (h) Klipmuts
- (i) Kayamandi

2.3 The valuator's recommendation was that the valuations of Wemmershoek, La Motte, Lanquedoc remains the same as the 2011 valuations because this is sub economic housing and the sales (if any) are subsidized.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Revaluation of all Investment Property was performed by an accredited registered valuator, Mr. H Badenhorst.

The comparative figures were restated. Refer to the prior period error note 56.

11. Intangible assets

	2012			Restated 2011		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	199,071	(13,308)	185,763	199,071	(6,654)	192,417

12. Consumer deposits

Rates	3,062,481	2,938,460
Electricity	6,248,465	6,048,585
Housing rental	403,979	387,674
	9,714,925	9,374,719

13. Employee benefit obligations

Post-retirement health care benefits liability

Non-current post-retirement health care benefits liability

Non-current post-retirement health care benefits liability	(143,252,513)	(131,602,659)
Current post-retirement health care benefits liability	(5,035,968)	(4,483,008)

Net liability

	(148,288,481)	(136,085,667)
--	----------------------	----------------------

Non-current liabilities	(143,252,513)	(131,602,659)
Current liabilities	(5,035,968)	(4,483,008)
	(148,288,481)	(136,085,667)

Stellenbosch Municipality

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13. Employee benefit obligations (continued)

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under IAS 19. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2007 in terms of IAS 19, Employee Benefits, paragraph 155(b).

The municipality has elected to recognise the transitional liability as an expense on a straightline basis over 5 years from the date of adoption of which the transitional liability period ended on 30 June 2011.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:

In-service members (Employees)	554	533
Continuation members (Retirees, widow(ers) and orphans)	175	170
Total members	729	703

The liability in respect of past service has been estimated as follows:

In-service Members	74,465,786	59,737,048
Continuation Members	76,642,901	67,563,862
Total liability	151,108,687	127,300,910

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Prosano
- Samwumed

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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Figures in Rand	2012	Restated 2011
13. Employee benefit obligations (continued)		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
i) Rates of Interest		
Discount Rate	7.84 %	8.64 %
Health Care Cost Inflation Rate	6.84 %	7.28 %
Net Effective Discount Rate	0.94 %	1.27 %
ii) Normal retirement age		
Expected Retirement Age - Females	60	60
Expected Retirement Age - Males	65	65
The PA 90-2 ultimate mortality table was used by the actuaries		
Pre-retirement: The SA85-90 ultimate table, adjusted for female lives, was used.	-	-
Movements in the present value of the Defined Benefit Obligation were as follows:		
Balance at the beginning of the year	(127,300,910)	(118,357,505)
Current service costs	(5,873,177)	(5,220,979)
Interest cost	(10,812,645)	(10,702,833)
Expected employer Benefits payments	4,483,008	4,578,048
Actuarial (losses) / gains unrecognised	(11,604,963)	2,402,359
Present Value of Fund Obligation at the end of the Year	(151,108,687)	(127,300,910)
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	(151,108,687)	(127,300,910)
The amounts recognised in the Statement of Financial Position are as follows:		
Unrecognised Actuarial Gains/ Losses	2,820,206	(8,784,757)
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	(5,873,177)	(5,220,979)
Interest cost	(10,812,645)	(10,702,833)
Transitional Liability recognised	-	(14,300,160)
Total Post-retirement Benefit included in Employee Related Costs	(16,685,822)	(30,223,972)
The history of experienced adjustments is as follows:		
Fair Value of Plan Assets		
2012	(151,108,687)	-
2011	(136,085,667)	(136,085,667)
2010	(118,358,505)	(118,358,505)
2009	(102,939,800)	(102,939,800)
2008	(104,075,000)	(104,075,000)
2007	(96,326,000)	(96,326,000)
Deficit	(708,893,659)	(557,784,972)

Stellenbosch Municipality

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13. Employee benefit obligations (continued)

Mortality Rates

Post retirement: PA 90-2 ultimate Mortality table was used.

Post retirement: The SA85-90 ultimate table adjusted for female lives, was used.

Continuation of Membership

Its assumed that 40% of current eligible in-service non-members will be on medical aid scheme at retirement (should they not exit employment).

Information for the three annual periods prior to the comparative year regarding the history of experienced adjustments was not available from the actuarial report, obtained.

The effect of a 1% movement in the assumed rate of health care cost inflation, is as follows:

Increase:

Effect on the aggregate of the current service cost and the interest cost	3,722,800	3,380,000
Effect on the defined benefit obligation	154,831,487	139,465,667

Decrease:

Effect on the aggregate of the current service cost and the interest cost	(2,876,700)	(2,629,500)
Effect on the defined benefit obligation	148,231,987	133,456,167

The municipality expects to make a contribution of R4 483 008 (2011: R4 578 048) to the Defined Benefit Plans during the next financial year.

14. Operating lease

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	145,649	8,717
Operating lease expenses recorded	3,526,480	3,439,580
Operating lease payments effected	(3,618,283)	(3,302,648)
	53,846	145,649

Leasing Arrangements

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under Operating Leases for Property, Plant and Equipment, which fall due as follows:

Buildings:

Up to 1 year	3,910,148	3,325,400
2 to 5 years	7,578,842	372,136
	11,488,990	3,697,536

Stellenbosch Municipality

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	2012	Restated 2011
14. Operating lease (continued)		
Vehicles and Other Equipment		
Up to 1 year	446,273	446,273
2 to 5 years	8,732	455,005
	455,005	901,278
The following payments have been recognised as an expense in the Statement of Financial Performance:		
Total Operating Lease Expenses		
Minimum lease payments	3,618,282	3,302,649
The municipality has operating lease agreements for the following classes of assets:		
Buildings	11,488,990	3,697,537
Vehicles and other Equipment	455,006	901,277
	11,943,996	4,598,814
No restrictions have been imposed on the municipality in terms of the operating lease agreements.		
15. Other financial liabilities		
At fair value		
Annuity Loans	82,858,740	41,541,908
Loans are repaid over periods varying from 2 to 15 (2011: 2 to 15) years and at interest rates varying from 9.25 % to 11.55 % (2011: 9.25 % to 11.55%) per annum.		
Refer to Appendix "A" for more detail on Long-term Liabilities.		
Non-current liabilities		
Fair value	78,889,967	37,758,913
Current liabilities		
Fair value	3,968,773	3,782,995
	82,858,740	41,541,908

Stellenbosch Municipality

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16. Provisions

Reconciliation of provisions - 2012

	Opening Balance	Additions	Utilised during the year	Total	Current Liabilities
Rehabilitation of Land - fill Sites	33,511,623	4,647,054	-	38,158,677	-
Cape Joint Pension and SALA	5,104,718	-	-	5,104,718	5,104,718
Long Service Awards	17,468,444	6,219,363	(1,873,982)	21,813,825	1,074,798
Constructive Obligations	264,685	282,512	(270,459)	276,738	282,512
	56,349,470	11,148,929	(2,144,441)	65,353,958	6,462,028

Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised during the year	Total	Current Liabilities
Rehabilitation of Land - fill Sites	31,915,832	1,595,791	-	33,511,623	-
Cape Joint Pension and SALA	-	5,104,718	-	5,104,718	5,104,718
Long Service Awards	14,802,253	4,637,742	(1,971,551)	17,468,444	1,049,390
Constructive Obligations	269,700	264,686	(269,701)	264,685	264,685
	46,987,785	11,602,937	(2,241,252)	56,349,470	6,418,793

Non-current liabilities	58,891,930	49,930,677
Current liabilities	6,462,028	6,418,793
	65,353,958	56,349,470

Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R38,158,677 (2011: R33,511,623) to restore the site at the end of its useful life, estimated to be in 2013. Provision has been made for the net present value of this cost, using the the average cost of borrowing interest rate.

Constructive obligations

Constructive obligations related to Grants in Aid: Rental exist due to expectations created on the part of other parties that the municipality will discharge certain responsibilities.

Long Service Awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Furthermore a Retirement Gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees

The most recent actuarial valuations was carried out at 30 June 2012 by Mr C. Weiss, Fellow of the Actuarial Society of South Africa. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The comparative figures were restated. Refer to the prior period error note 56.

Stellenbosch Municipality

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	2012	Restated 2011
17. Payables from exchange transactions		
Trade payables	1,137,097	4,342,875
Payments received in advance	5,800,275	9,371,589
Retention	8,902,140	9,981,871
Accrued bonus	6,539,721	6,498,221
Salary Control	5,198,994	4,423,936
Leave Gratuity	13,737,944	12,376,350
Other Creditors	23,012,306	17,585,153
Sundry Deposits	676,932	632,394
Impounded Vehicles	122,442	-
Accruals at Year End	36,495,420	32,048,140
	101,623,271	97,260,529

The comparative figures were restated. Refer to the prior period error note 56.

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	2012	Restated 2011
18. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
National Government Grants	2,000,154	8,377,449
Provincial Government Grants	10,787,881	22,145,168
Other Sources	674,478	2,523,378
Developers Contribution - Sewerage	2,237,432	2,542,472
Developers Contribution - Roads	2,305,304	2,950,161
Developers Contribution - Electricity	8,126,577	4,768,841
Developers Contribution - Water	3,847,638	3,737,470
Developers Contribution - Open Areas	165,928	165,928
Developers Contribution - Parking	1,440,348	1,440,348
Developers Contribution - General	117,753	117,753
Developers Contribution - La Clemence	2,402,851	2,297,588
Fransdevco: Development Rights	3,347,553	3,347,553
Franschhoek: Low Cost Housing (Phase 2)	301,300	301,300
LGWSETA Training	1,939,979	1,220,427
Financial Management Grant	-	37,285
Cemetery Donation	2,200	2,200
Marais Park Bequest	20,000	20,000
Don & Pat Bilton Clinic	231,084	231,084
Franschhoek Belgium Development	7,100	7,100
Dilbeek	101,161	55,925
Western Cape Water Quality	304,517	304,517
Leuven Study Grant	13,256	13,256
Library Services Support Grant	297,200	174,590
Housing Consumer Education	68,010	68,010
CDW Support Grant	62	47,241
Municipal Systems Improvement Grant	-	26,352
Festival of Light	7,222	5,831
Cleanest Town	40,000	40,000
Top Structure	251,226	127,113
Developers Contribution - Refuse	174,857	-
Developers Contribution - Stormwater	595,532	-
	41,808,603	57,096,340
Movement of Capital Grants during the year		
Balance at the beginning of the year	57,096,340	58,441,983
Income	42,760,834	38,766,495
Capital Expenditure	(56,623,432)	(40,112,138)
Other Income - VAT	(1,425,139)	-
	41,808,603	57,096,340

The receipt and spending of Government Grants are monitored by National and Provincial Government and reports in this regard are submitted quarterly. See also Note 23 for Grants received from National/Provincial Government. These amounts are invested in a ring-fenced investment until utilized.
Refer to Appendix "F" for more detail on Conditional Grants.

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19. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2012

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	112,471,747	391,597,477	128,249,047	83,948,763	9,885,492	726,152,526
Depreciation	-	(4,404,019)	(3,750,443)	(28,030,625)	-	(36,185,087)
Transfer to capital replacement reserve	49,618,414	-	-	-	-	49,618,414
Property, plant and equipment purchases	(79,051,289)	-	21,529,861	45,722,403	-	(11,799,025)
	83,038,872	395,990,125	146,028,466	101,690,539	9,885,492	736,633,494

Ring-fenced internal funds and reserves within accumulated surplus - 2011 Restated

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	112,471,747	475,252,370	103,678,687	80,253,616	8,822,012	780,478,432
Depreciation	-	(4,292,752)	(4,064,537)	(4,310,959)	-	(12,668,248)
Transfer to capital replacement reserve	51,864,304	-	-	-	-	51,864,304
Property, plant and equipment purchases	(51,570,806)	-	28,634,718	8,006,105	-	(14,929,983)
Contribution to insurance reserve	-	-	-	-	1,063,480	1,063,480
Asset disposal	-	24,919,653	-	-	-	24,919,653
Impairment of assets	-	(8,541,794)	-	-	-	(8,541,794)
	112,765,245	391,597,477	128,249,047	83,948,763	9,885,492	726,446,024

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19. Accumulated surplus (continued)

Total Accumulated Surplus

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

The comparative figures were restated. Refer to the prior period error note 56.

20. Housing development fund

Opening Balance	2,473,721	8,673,735
Transfer to/from Housing Development Fund	3,448,942	(6,200,014)
	5,922,663	2,473,721

The Housing Development Fund is represented by the following

Assets and Liabilities:

Instalment Sales Debtors	2,492,677	2,133,081
Consumer Debtors	15,429,363	19,041,119
Provision for Bad Debts	(10,930,495)	(16,219,979)
Cash and Cash Equivalents	(1,068,882)	(2,480,499)
Total Housing Development Fund Assets and Liabilities	5,922,663	2,473,722

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	2012	Restated 2011
21. Revaluation reserve		
Opening balance	927,354,551	872,522,911
Change during the year	-	(37,953,360)
Increase in Revaluation of Land and Buildings	38,107,772	92,785,000
	965,462,323	927,354,551

Revaluation surplus relating to property, plant and equipment

Revaluation surplus beginning of period	927,354,551	872,522,911
Movements in the reserve for the year	-	(37,953,360)
Increase in revaluation of land and buildings	38,107,772	92,785,000
	965,462,323	927,354,551

The Revaluation Reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Revaluation Reserve that relates to that asset, and is effectively realised, is transferred directly to the Accumulated Surplus.

Distributions from the Revaluation Reserve can be made where they are in accordance with the requirements of the Municipality's Accounting Policy and relevant case law. The payment of cash distributions out of the reserve is restricted by the terms of the Municipality's Accounting Policy. These restrictions do not apply to any amounts transferred to Accumulated Surplus. The Council does not currently intend to make any distribution from the Revaluation Reserve.

The comparative figures were restated. Refer to the prior period error note 56.

22. Property rates

Rates received

Residential	127,885,649	106,424,906
Commercial	74,936,135	88,170,156
Small holdings and farms	10,693,529	10,473,230
Less: Income forgone	(24,018,049)	(21,776,880)
	189,497,264	183,291,412
Property rates - penalties imposed and collection charges	2,918,845	2,794,773
	192,416,109	186,086,185

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The last valuation came into effect on 1 July 2009. Two interim valuations were performed during the financial year and implemented accordingly.

An average general rate for 2012 of R 0.009541 (2011: R 0.009541) is applied to property valuations to determine assessment rates.

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 30 September. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Stellenbosch Municipality

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	2012	Restated 2011
23. Government grants and subsidies		
CDW Support	125,179	191,904
Equitable share	37,387,891	36,783,661
Financial Management Grant	1,236,697	1,013,303
Donated Assets	10,680,014	157,238
Grants - Capital Projects	56,623,432	36,483,585
Growth Management Strategy	-	41,749
LGWSETA Training	504,405	258,166
Library Services Support	901,169	953,899
Magazine Subsidy	486	1,906
Municipal Systems Improvement Grant	785,344	679,656
Other Grants & Subsidies Operating	558,218	278,181
Provincial Government PHP Top Structures	3,419,186	19,944,931
	112,222,021	96,788,179

Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent households. All registered indigents received a monthly subsidy of R182.81, which was funded from this grant. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services.

Financial Management Grant

The Municipality received Financial Management Grants for the implementation of National Treasury's Local Government Financial Reform Project. The largest portion of these funds is used for the implementation of GRAP.

LGWSETA Training

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

National and Provincial Government - Capital Projects

Both National and Provincial Government fund a large portion of the Municipality's annual capital expenditure. The funds received for these purposes are from the National Housing Board, Municipal Infrastructure Grant, Department of Mineral and Energy and Department of Transport.

See Appendix F for a reconciliation of grants received and expensed.

24. Investment revenue

Interest revenue

Bank	23,492,185	19,756,636
Interest Earned - Outstanding Debtors	4,035,042	3,828,548
	27,527,227	23,585,184

Stellenbosch Municipality

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	2012	Restated 2011
25. Other income		
Building Plan Fees	2,680,216	3,477,041
Contributions from Reserves and Operational Grants	1,258,142	845,532
Sundry	8,896,613	7,688,416
Applications Fees	446,055	327,008
Testing of Drivers	877,247	814,296
Other Revenue VAT	1,425,139	-
Building Clause	947,296	470,197
Recoverable Money	1,938,740	2,421,702
	18,469,448	16,044,192

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 26 to 27, rendered which are billed to or paid for by the users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e. wood sales. Inter-departmental recoveries are received from other trading and economic services.

The comparative figures were restated. Refer to the prior period error note 56.

26. Rental of facilities and equipment

Premises

Rental Revenue from other facilities	9,209,651	8,764,597
Rental Revenue from Building	19,599	17,363
	9,229,250	8,781,960

Facilities and equipment

Rental Revenue from Land	2,307,954	2,102,677
Rental of equipment	-	398,047
	2,307,954	2,500,724
	11,537,204	11,282,684

27. Service charges

Sale of electricity	332,460,806	302,889,831
Sale of water	93,775,701	82,233,026
Sewerage and sanitation charges	49,313,541	42,709,377
Refuse removal	30,522,662	26,949,127
Other service charges	265,185	79,512
	506,337,895	454,860,873

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

28. Bulk purchases

Electricity	204,322,365	161,022,630
Water	12,211,579	12,648,356
	216,533,944	173,670,986

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from the City of Cape Town and Department of Water and Forestry.

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	2012	Restated 2011
29. Depreciation and amortisation		
Property, plant and equipment	96,536,196	90,603,456
30. Debt impairment		
Electricity	1,310,259	299,343
Refuse	1,478,733	866,460
Sewerage	1,502,609	734,396
Water	6,054,025	3,546,496
Rates	966,449	813,257
Housing Rental	5,957,909	5,007,617
Sundries	2,127,240	48,508
	19,397,224	11,316,077
31. Employee related costs		
Basic	148,621,198	143,353,982
Pension Fund Contribution	25,066,564	24,868,711
Bonus	11,019,864	10,455,216
Medical aid - company contributions	11,173,811	10,134,809
UIF	1,306,362	1,270,781
Cashiers Allowances	5,755	7,477
Sundry Allowances	2,745,837	1,403,205
Cellphone Allowances	544,072	519,685
Severance Packages	76,499	1,670,298
Travel, motor car, accommodation, subsistence and other allowances	353,670	246,794
Overtime payments	9,404,750	8,402,764
Uniforms	451,286	397,115
Group Insurance	3,271,949	2,629,039
Car allowance	8,152,835	7,136,981
Housing benefits and allowances	1,398,389	1,355,812
Standby Allowances	3,636,041	1,974,775
Night Shift Allowance	1,386,014	962,178
Less: Employee costs included in other expenses	(3,427,371)	(1,747,323)
Bargaining Council	59,615	57,360
	225,247,140	215,099,659
Remuneration of Municipal Manager		
Annual Remuneration	834,019	1,096,786
Car Allowance	3,035	800
Contributions to UIF, Medical and Pension Funds	169,400	225,604
Leave	11,059	-
Telephone Allowances	12,000	-
	1,029,513	1,323,190
Acting Allowance paid to Acting Municipal Manager	502,819	-

The remuneration of the Municipal Manager for 2012 is for the period up to 29 February 2012.

Stellenbosch Municipality

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	2012	Restated 2011
31. Employee related costs (continued)		
Remuneration of Chief Finance Officer		
Annual Remuneration	917,937	834,617
Car Allowance	91,737	90,000
Contributions to UIF, Medical and Pension Funds	185,747	172,977
Housing Allowance	-	18,000
Telephone Allowance	5,940	5,940
	1,201,361	1,121,534
Remuneration of Director Community Services		
Annual Remuneration	506,648	726,071
Car Allowance	36,000	54,851
Contributions to UIF, Medical and Pension Funds	125,193	178,329
Leave	62,990	-
	730,831	959,251
Acting Allowances paid to Acting Director Community Services	85,206	-
The Director Community Service's contract expired on the 29th of February 2012.		
Remuneration of the Director Public Safety		
Annual Remuneration	561,395	522,367
Car Allowance	58,729	56,112
Contributions to UIF, Medical and Pension Funds	140,775	113,536
Telephone Allowances	9,000	9,000
	769,899	701,015
Remuneration of the Director Strategic and Corporate Services		
Annual Remuneration	691,223	481,099
Car Allowance	126,973	95,586
Contributions to UIF, Medical and Pension Funds	174,333	127,894
Telephone Allowances	9,000	7,025
	1,001,529	711,604
Remuneration of the Director Engineering Services		
Annual Remuneration	778,188	735,059
Car Allowance	49,418	48,000
Contributions to UIF, Medical and Pension Funds	159,346	151,379
Telephone Allowances	9,000	9,000
	995,952	943,438
Remuneration of the Director Planning and Development Services		
Annual Remuneration	987,639	930,754
Contributions to UIF, Medical and Pension Funds	11,421	10,945
Telephone Allowances	9,000	9,000
	1,008,060	950,699

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	2012	Restated 2011
32. General expenses		
3 G Fixed cost	50,021	72,944
Accounting fees external	3,504,664	2,928,114
Actuarial loss	2,037,842	371,422
Advertising	1,207,681	763,918
Agency Services	12,392,254	11,913,800
Ammunition	-	18,319
Assessment rates & municipal charges	39,670	29,600
Bank charges	3,080,641	3,075,657
Busaries	246,269	318,108
Cellphone Cost	182,970	457,786
Claims: Global	3,872,999	3,089,286
Corporate Expenses	380,184	322,884
Electricity consumption expenses	20,981,557	17,612,045
Entertainment	115,900	183,781
Free Basic services	11,020,542	9,993,737
Fuel and oil	8,141,608	6,973,177
Fumegating of Buildings	57,708	58,425
Hosting of Events	338,738	370,623
Insurance	3,427,564	2,723,172
Interest Allocated	138,933	29,110
Internal Audit Fees	1,487,802	1,663,940
Internal Investigations	-	194,954
Investment Administration	1,205,147	992,184
Legal cost	11,427,050	8,335,238
Licenses Fees	2,343,370	1,298,908
Magazines, books and periodicals	1,327,347	1,307,157
Office Refreshments	478,448	461,059
Other expenses	15,496,240	35,492,886
Outdated Stock	-	2,127
Pauper Burials	33,920	22,400
Postage and courier	738,227	1,183,684
Printing and stationery	2,328,592	2,315,489
Property only	3,741,500	1,398,082
Protective clothing	1,479,886	1,290,725
Radio Operational cost	1,004,200	881,333
Recoverable Cost	1,121,858	1,418,848
Recruiting & Selecting	24,793	74,240
Registration fees	371,727	154,668
Security	3,378,579	2,878,841
Souvenirs	12,724	20,382
Staff wellness	1,371,334	1,141,370
Stores & Material	2,024,274	1,905,075
Sundry	49,311	59,157
Telephone Cost	3,958,062	3,821,219
Training	3,077,798	2,959,115
Transfer & Survey Cost	71,324	60,308
Ward Expenses	6,053,428	5,939,951
Workmans Compensation	1,609,750	1,952,439
Workshops, Functions & Capacity	513,699	337,821
General Expenses	137,948,135	137,115,395
Administration Costs	(1,398,932)	(1,186,185)
	136,549,203	139,683,323

The comparative figures were restated. Refer to the prior period error note 56.

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	2012	Restated 2011
33. Remuneration of Councillors		
Executive Mayor	470,438	602,054
Councillors	11,654,951	9,079,120
	12,125,389	9,681,174

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

Executive Mayor	470,438	602,054
Deputy Mayor	376,332	47,998
Speaker	327,887	486,258
Mayoral Committee	2,671,998	3,227,894
Councillors	4,306,999	3,282,131
Medical Aid Contributions	74,602	90,758
Pension fund contributions	319,935	372,189
Travelling Allowances	2,888,506	1,258,876
Telephone Allowances	582,608	313,016
UIF and SDL	106,084	-
	12,125,389	9,681,174

34. Cash generated from operations

Surplus	96,662,071	79,148,783
Adjustments for:		
Depreciation and amortisation	96,536,196	90,603,456
Loss on sale of assets and liabilities	(194,464)	(262,300)
Inventories: (Write-down) / reversal of write-down	1,230	121,481
Fair value adjustments	(5,440,107)	(4,795,074)
Impairment deficit	-	7,970,286
Debt impairment	19,397,224	11,316,077
Movements in operating lease assets and accruals	(91,803)	136,932
Movements in retirement benefit assets and liabilities	12,202,814	20,178,437
Movements in provisions	9,004,488	9,361,685
Changes in working capital:		
Inventories	(2,165)	(1,983,473)
Receivables from exchange transactions	(12,397,396)	(3,423,946)
Consumer debtors	(10,219,301)	(30,864,379)
Payables from exchange transactions	3,791,339	5,985,554
VAT	(4,671,891)	5,110,468
Unspent conditional grants and receipts	(15,287,737)	(1,513,806)
Consumer deposits	340,206	1,163,110
	189,630,704	188,253,291

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2012

Restated
2011

35. Financial assets by category

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows:

2012

	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Long-term Receivables	-	-	-	-
Sale of Erven	1,362	-	-	1,362
Officials: Erven loans	32,214	-	-	32,214
Farmers: Water scheme	327,322	-	-	327,322
Housing Selling Scheme Loans	1,861,149	-	-	1,861,149
Consumer Debtors	-	-	-	-
Assessment Rates	28,943,020	-	-	28,943,020
Electricity	12,474,232	-	-	12,474,232
Water	24,109,266	-	-	24,109,266
Sewerage	8,116,275	-	-	8,116,275
Refuse	8,962,663	-	-	8,962,663
Housing rental	3,900,545	-	-	3,900,545
Sundry	2,684,014	-	-	2,684,014
Other Debtors	-	-	-	-
Sundry	489,460	-	-	489,460
Closing of financial year	17,468,015	-	-	17,468,015
Other Debtors	286,126	-	-	286,126
Capital Debtors	5,445,866	-	-	5,445,866
Bank, Cash and Cash Equivalents	-	-	-	-
Call Deposits	-	337,949,817	-	337,949,817
Bank balances and cash	-	-	36,198,548	36,198,548
Current Portion of Long-term Receivables	-	-	-	-
Sale of Erven	5,447	-	-	5,447
Officials: Erven loans	25,225	-	-	25,225
Farmers: Water Scheme	12,872	-	-	12,872
Housing Selling Scheme	126,038	-	-	126,038
	115,271,111	337,949,817	36,198,548	489,419,476

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Figures in Rand	2012			Restated 2011
35. Financial assets by category (continued)				
2011				
	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Loan-term Receivables	-	-	-	-
Sale of Erven	6,809	-	-	6,809
Farmers: Water Scheme	340,104	-	-	340,104
Officials: Erven Loans	57,439	-	-	57,439
Housing Selling Scheme Loans	1,987,187	-	-	1,987,187
Consumer Debtors	-	-	-	-
Assessment Rates	25,053,166	-	-	25,053,166
Electricity	21,658,487	-	-	21,658,487
Refuse	7,505,780	-	-	7,505,780
Sewerage	6,994,274	-	-	6,994,274
Water	23,665,669	-	-	23,665,669
Housing	7,005,662	-	-	7,005,662
Sundry	6,484,900	-	-	6,484,900
Other Debtors	-	-	-	-
Sundry	623,804	-	-	623,804
Closing of financial year	335,120	-	-	335,120
Other Debtors	6,148,366	-	-	6,148,366
Capital Debtors	4,184,781	-	-	4,184,781
Bank, Cash and Cash Equivalents	-	-	-	-
Call Deposits	-	301,226,693	-	301,226,693
Bank balances and cash	-	-	23,801,840	23,801,840
Current Portion of Long-term Receivables	-	-	-	-
Official Car Loans	2,536	-	-	2,536
Sale of Erven	35,466	-	-	35,466
Farmers: Water Scheme	11,311	-	-	11,311
Officials: Erven Loans	5,995	-	-	5,995
Housing Selling Scheme Loans	145,895	-	-	145,895
	112,252,751	301,226,693	23,801,840	437,281,284

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	2012	Restated 2011
36. Financial liabilities by category		
In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows:		
2012		
	Financial liabilities at amortised cost	Total
Long-term Liabilities		
Loans from DBSA	78,889,967	78,889,967
Consumer Deposits Electricity and Water	9,310,946	9,310,946
Housing	403,979	387,675
Creditors		
Trade Creditors	1,137,097	1,137,097
Payments received in advance	5,800,275	5,800,275
Sundry Deposits	676,932	676,932
Other Creditors	23,012,036	23,012,036
Leave Gratuity	13,737,944	13,737,944
Retentions	8,902,140	8,902,140
Salary Control	5,198,994	5,198,994
Bonus Accrual	6,539,721	6,539,721
Unspent Conditional Grants and Receipts		
National Government Grants	2,000,154	2,000,154
Provincial Government Grants	10,787,881	10,787,881
Other Sources	674,478	674,478
Developers Contributions	24,292,684	24,292,684
Operating Lease Liabilities		
Operating Lease Liabilities/ Payable	53,847	53,847
Current Portion of Long-term Liabilities		
Loans from DBSA	3,968,773	3,968,773
	195,387,848	195,371,544

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	2012	Restated 2011
36. Financial liabilities by category (continued)		
2011 - Restated		
	Financial liabilities at amortised cost	Total
Long-term Liabilities		
Loans from DBSA	37,758,913	37,758,913
Consumer Deposits Electricity and Water	8,987,045	8,987,045
Housing	377,403	377,403
Creditors		
Trade Creditors	4,342,875	4,342,875
Payments received in advance	9,371,589	9,371,589
Sundry Deposits	632,394	632,394
Other Creditors	17,585,153	17,585,153
Leave Gratuity	12,376,350	12,376,350
Retentions	9,981,871	9,981,871
Salary Control	4,423,936	4,423,936
Bonus Accrual	6,498,221	6,498,221
Unspent Conditional Grants and Receipts		
National Government Grants	8,377,450	8,377,450
Provincial Government Grants	22,145,168	22,145,168
Other Sources	2,523,378	2,523,378
Developers Contributions	21,669,414	21,669,414
Operating Lease Liabilities / Payable	145,649	145,649
Current Portion of Long-term Liabilities		
Loans from DBSA	3,782,995	3,782,995
	170,979,804	170,979,804

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37. Risk management

Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 15, Bank, Cash and Cash Equivalents and Equity in Note 2, comprising Funds, Reserves and Accumulated Surplus as disclosed in the Statement of Changes in Net Assets.

Financial risk management objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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37. Risk management (continued)

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

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37. Risk management (continued)

Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for Sasol who has large investments in the municipal area and does not pose any risk. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Consumer Debtors	87,687,899	87,957,276
Other Debtors	23,758,799	43,852,234
Bank, Cash and Cash Equivalents	455,323,015	313,423,120
	566,769,713	445,232,630

Foreign currency risk management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

The municipality reviews its foreign currency exposure, including commitments on an ongoing basis. The municipality expects its foreign exchange contracts to hedge foreign exchange exposure.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

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38. VAT payable		
Tax refunds payables	-	3,502,694
The comparative figures were restated. Refer to the prior period error note 56.		
39. Public contributions and donations		
Developers Contribution - Sewerage	2,237,432	2,542,472
Developers Contribution - Roads	2,305,304	2,950,161
Developers Contribution - Electricity	8,126,577	4,768,841
Developers Contribution - Water	3,847,638	3,737,470
Developers Contribution - Open Areas	165,928	165,928
Developers Contribution - Parking	1,440,348	1,440,348
Developers Contribution - General	117,753	117,753
Developers Contribution - La Clemence	2,402,851	2,297,588
Franschhoek: Low Cost Housing	301,300	301,300
Fransdevco Development	3,347,553	3,347,553
Developers Contribution- Refuse	174,857	-
Developers Contribution - Stormwater	595,532	-
	25,063,073	21,669,414
Reconciliation of conditional public contributions and donations		
Balance unspent at beginning of year	21,669,414	17,743,186
Current year receipts	8,502,783	9,518,724
Conditions met - transferred to revenue: Capital Expenses	(5,109,124)	(5,305,334)
Other transfers	-	(287,162)
Conditions still to be met - transferred to Liabilities	25,063,073	21,669,414
40. Contribution to/from provision		
Contribution to/from provisions	23,752,862	34,669,305
The comparative figures were restated. Refer to the prior period error note 56.		
41. Fair value adjustments		
Investment property (Fair value model)	5,445,075	713,500
Biological assets - (Fair value model)	(4,968)	4,081,574
	5,440,107	4,795,074
42. Finance costs		
Current borrowings	6,344,344	3,752,321
43. Contracted services		
Operating Leases: Buildings and Equipment	8,890,928	8,182,022
The comparative figures were restated. Refer to the prior period error note 56.		

Stellenbosch Municipality

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44. Grants and subsidies paid		
Other subsidies		
Marketing	242,902	185,532
Festivals	53,191	379,450
	296,093	564,982
45. Commitments		
Authorised capital expenditure		
Approved and Contracted for:		
• Infrastructure	35,245,092	19,649,585
• Community	1,070,175	-
	36,315,267	19,649,585
Approved but Not Yet Contracted for:		
• Infrastructure	68,609,293	122,252,588
• Community	11,404,825	39,551,067
• Other	72,714,305	17,612,800
•	152,728,423	179,416,455
	189,043,691	199,066,040
This expenditure will be financed from:		
External Loans	23,777,248	47,047,780
Capital Replacement Reserve	82,074,000	94,470,400
Government Grants	70,234,223	49,955,167
Public Contributions	12,958,220	7,592,693
	189,043,691	199,066,040

Finance lease liabilities and non-cancellable operating lease commitments are disclosed above.

46. Contingencies

Blue Stars Netbalkklub made an application to the High Court for a declaratory order; that the Special Meeting of the Klapmuts Sport Forum held on 27 May 2009 at Lanner's Lading, Klapmuts was properly held and that the new management of the Klapmuts Sport Forum was properly elected. The amount of R350 000 represents legal costs and disbursements.

Shelfline 104 Pty (Ltd) submitted an application against the municipality disputing the tariff applicable on developers liable for payment of bulk infrastructure contribution levies. An appeal was lodged with the Supreme Court of Appeals. The amount of R446 000 represents legal costs and disbursements.

This matter involves a counter application on behalf of the municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. This matter does not involve any amounts claimed but a cost of R250 000 represents legal costs and disbursements.

This is an application for an interdictory and declaratory relief against the Municipality and the Cape Winelands District Municipality for alleged non-compliance with statutory and constitutional obligations in respect of its duty to progressively realise the rights of access to adequate housing in particular to persons that are evicted and left without any alternative accommodation. The amount of R250 000 represents legal costs and disbursements.

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46. Contingencies (continued)

A neighbouring farm alleged pollution and other forms of degradation as a result of activities at the squatter camp. They requested the court to issue an order directing the municipality to clean up and add additional facilities like toilets. The amount of R200 000 represents legal costs and disbursements.

Mrs Baadjies obtained an Ex Parte Court Order ordering the Municipality to immediately re-erect her wendy house at the graveyard, Jamestown. The Municipality is in the process of obtaining an eviction order against Mrs Baadjies and the other illegal occupiers. The amount of R100 000 represents legal costs and disbursements.

Members of the public are occupying staff quarters and public rental units illegally and refuse to vacate same notwithstanding notices to that effect. In light of the aforesaid the Municipality is not generating any rental income from the units and is not in a position to provide staff accommodation to current and new staff of the Municipality. The Municipality cannot tolerate the current position and instituted eviction proceedings against the illegal occupiers. A cost of R100 000 represents legal costs and disbursements.

Application interdicting and restraining Ms Van Wyk from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.

Application interdicting and restraining the Terra Nova Trust from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.

Opposing the application that the decisions iro the rezoning and consent use applications and their subsequent appeal thereof be cancelled, reviewed and set aside and that Reg 22 of the Regulations promulgated its LUPO be declared unconstitutional, invalid and unenforceable.

Application interdicting and restraining the TFD Trust and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.

Application interdicting and restraining the Van Breda Trust and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.

Application interdicting and restraining the Award 4 Trading PTY LTD and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property.

Application interdicting and restraining the D. & T Irvine and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000

Dennis Moss & Partners: The municipality received a claim of which the potential liability could not be determined at the reporting date. Estimated cost of financial exposure is R1.4m.

Application interdicting and restraining J. Smit and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000

Application interdicting and restraining Adams' from conducting the business of an off-consumption liquor store on residential property. Opposing application that the decisions taken iro the rezoning application is cancelled, reviewed and set aside. Estimated cost of financial exposure is R300 000

Demolition of two cold rooms erected without the necessary permission and pre-approved plans. Estimated cost of financial exposure is R40 000

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46. Contingencies (continued)

Application to interdict and restrain the Sweetwell Trust from operating a restaurant while conducting agricultural activities in contravention of the condition of approval to utilise the property for a restaurant, farm shop and butchery. Estimated cost of financial exposure is R150 000

Application to interdict and restrain the company from utilising Farm 1037 Stellenbosch or a portion thereof for illegal dumping of glass and used building material as well as for industrial purposes in contravention of the applicable Zoning Scheme Regulations. Estimated cost of financial exposure is R300 000

Application to demolish part of the illegal building erected over the municipal sewer pipeline and make good the land she built on. Estimated cost of financial exposure is R150 000

Application to interdict and restrain the owner from utilising the property as a function venue in contravention of the relevant Zoning Scheme Regulations. Estimated cost of financial exposure is R150 000.

The La Motte Village Extension was constructed by Trans Caledon Tunnel Authority ("TCTA") to accommodate contractors, employees and staff who was involved in construction of the Berg Water Project ("BWP"). After construction of the BWP, the 80 houses utilised by the contractors, employees and staff during construction of the BWP, were handed over by TCTA to the Municipality, to provide housing to communities within the project area of the BWP. In 2008 TCTA and the Municipality entered into a transfer agreement which provided inter alia for the disposal of the 80 houses. We have requested an attorney firm to provide us with an opinion regarding the decisions taken by the Directorate: Integrated Human Settlements, to allocate houses to buyers in La Motte Village Extension, Franschhoek. Litigations and claims amount to R200 000.

Paradyskloof Golf Estate (Pty) Ltd, claims for services rendered pursuant to an alleged mandate given. The estimation amounts to R 19 million.

SALA Pension Fund is taking all local authorities, who are not paying the increased contribution as claimed by them to court. Municipalities to pay the difference between current contribution rate and increased contribution rate. The estimation amounts to R516 720.27 plus interest and cost. An additional cost of R150 000 represents legal costs and disbursements.

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47. Related parties

Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in a note to the Annual Financial Statements.

Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 31 and 33 respectively, to the Annual Financial Statements.

Awards to close family members of persons in the service of the state:

Vela VKE Consulting Engineers

The appointment of consulting engineers for professional services for various projects, to the value of R840,731.38. The appointment was done per Deviation (D/SM 57/12).

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms. Pinky Phosa	MEC for Finance: Mpumalanga

Aurecon South Africa (Pty) Ltd

The Appointment of consulting engineers for professional civil engineering services for various projects, to the value of R 2,505,410.63. The appointment was done per tender (B/SM 365/11) and Deviation (D/SM 6/12).

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms Theron	PG Gauteng: Department of Education; Educator
K Nadasen	National Department of Public Works: Key Account Manager
AF Keyser	Hessequa Local Municipality: Caravan Park Manager
T Keyser	Hessequa Local Municipality: Secretary
MJ Fullard	PG North West: Department of Education: Educator
A Nel	National Department of Health, Senior Administration Officer
JM Robertson	Ekurhuleni Municipality; Engineer
Dr JC Lombard	PG Gauteng: Department of Education; Deputy Head
E Van der Linde	PG Free State: Department of Education: Educator
M De Vries	University of Pretoria, Educator
J Scheepers	Council of medical Schemes
U Van Wijk	SITA
K West	PG Western Cape: Department of Health
EM Schon	Department of Cooperative Governance, Senior Admin Officer
SM O'Connell	Sol Plaatjie Municipality; Librarian
JJ Tselane	PG North West, Department of Public Works, Roads and Transport
AP Louw	Gauteng Dept of Health, Pharmacist Intern

Ithuba Industries

The supply and delivery of goods and material under annual tenders (water services department), to the value of R381,144.52. The appointment was done per tender (B/SM 307/10).

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms. De Morney	Western Cape Department of Education

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47. Related parties (continued)

ARB Electrical Wholesalers (Pty) Ltd

The supply and delivery of goods and material under the annual tender: electrical, to the value of R78,424.59.
The appointment was done per tender (B/SM 335/11)

Spouses, Child or Parent
Jacob Modise

State Department
ESKOM Holdings: Non Executive Director and Road Accident Fund (RAF): CEO

Kaizen Chemicals

The supply and delivery of goods (white hydrated lime and calcium hypochlorite granular), to the value of R99,275.76.
The appointment was done per formal quotation (FQ 181/11)

Spouses, Child or Parent
E R Bowers

State Department
Stikland Hospital: Social Worker

Chesmar Trading

Rendering of services (Removal of debris in Kayamandi, Maintenance of grass, etc.), to the value of R63,034.95.
The appointment was done per deviation (D/SM 01/12)

Spouses, Child or Parent
Ms. Piedt

State Department
Western Cape Department of Health.

Mark Berry Environmental Consultants

Independent Environmental control officer Klapmuts Housing Projects, to the value of R34,400.
Appointment per formal quotation (FQ 172/12)

Spouses, Child or Parent
Ms. Berry

State Department
National Prosecuting Authority.

Clints Chaffeur Drive

Transport Services, to the value of R47,440. Appointment per formal quotation (FQ222/12).

Spouses, Child or Parent
Ms. V Swartz

State Department
Stellenbosch Municipality: LED Official

Siphakame Skills Development

Provision of Training in accordance with BSM 346/11, to the value R155,840.

Spouses, Child or Parent
Mr. H Theart
Mr. Vacu

State Department
Stellenbosch Municipality
Drakenstein Municipality

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48. Events after the reporting date		
No events having financial implications requiring disclosure occurred subsequent to 30 June 2012.		
49. Unauthorised expenditure		
There were no incidents of unauthorised expenditure for the year under reviewAdditional text		
50. Fruitless and wasteful expenditure		
There were no material fruitless and wasteful expenditure for the year under review.		
51. Irregular expenditure		
There were no material irregular expenditure for the year under review.		
52. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus per the statement of financial performance	96,662,071	79,148,783
Adjusted for:		
Fair value adjustments	(4,285,107)	(4,795,074)
Impairments recognised / reversed	9,828,476	7,970,285
Gain on the sale of assets	-	3,317
Increases / decreases in provisions	(1,027,008)	9,201,437
Revenue Adjustment	(27,293,184)	(48,869,580)
Expenditure Adjustment	(53,328,556)	(31,166,445)
Inventories write down	(6,070)	114,181
Government Grants and Subsidies - Capital	-	(36,640,823)
Gain (Loss) on biological assets and agricultural produce	(194,464)	(265,617)
Net surplus (deficit) per approved budget	20,356,158	(25,299,536)
53. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government - SALGA		
Council subscriptions	1,183,832	1,116,185
Amount paid - current year	(1,183,832)	(1,116,185)
Balance Unpaid (included in Creditors)	-	-
Audit fees		
Opening balance	1,655	13,299
Current year Audit Fee	3,994,968	3,305,507
Amount paid - current year	(3,994,968)	(3,303,852)
Amount paid - previous years	(1,655)	(13,299)
Balance Unpaid (included in Creditors)	-	1,655
PAYE and UIF		
Opening balance	(2,624,641)	(1,973,848)
Current year Payroll Deductions	(32,208,214)	(30,830,916)
Amount paid - current year	29,724,815	28,206,275
Amount paid - previous years	2,624,641	1,973,848
Balance Unpaid (included in Creditors)	(2,483,399)	(2,624,641)

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53. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Current year Payroll Deductions and Council Contributions	(64,542,549)	(60,856,556)
Amount paid - current year	64,542,549	60,856,556
Balance Unpaid (included in Creditors)	-	-

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2012:

30 June 2012	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Frazenburg AR	891	37	928
Davids JA	2,569	-	2,569
Mdemka LX	56	-	56
Ngcofe MM	359	608	967
	3,875	645	4,520

Deviation from, and ratification of, minor breaches of the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation approved in terms of subregulation (1)(a) and (b) must be included in a note to the AFS. Please consult note 58 for the detail.

Severance Package

The severance packages amount consists of the following transactions :

Three former contract employees of the municipality instituted legal proceedings of unfair termination. The Municipality paid an amount of R76 499 as full and final settlement.

Distribution Losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review:

Distribution Losses	Electricity (KWH)	Water (KL)
Purchases	379,416,243	12,261,657
Sales	(343,124,402)	(10,609,599)
Distribution loss	36,291,841	1,652,058

54. Multi-employer retirement benefit information

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

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54. Multi-employer retirement benefit information (continued)

The Municipal Councillors Pension Fund and the South African Municipal Workers Union National Provident Fund are defined contribution plans, whereas the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R19,7 million (2009: R19,7 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

DEFINED BENEFIT SCHEMES

SALA Pension Fund

The funding level has increased from 106% in 2006 to 110,0% on 1 July 2007. The Solvency Reserve has been calculated at R1 589.3 million for active members and R346.1 million in respect of pensioners. It should be noted that the previous valuation was done by Old Mutual Actuaries and Consultants whereas the latest valuation was done by Genesis Actuarial Solutions. There were restatements of certain published figures but the conclusion was drawn that the fund is financially sound at the valuation date.

Cape Joint Pension Fund

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The valuation disclosed an actuarial surplus of R182 million and was funded at 106,5%. The fund was certified as being in a sound financial condition as at 30 June 2008 by an actuary.

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54. Multi-employer retirement benefit information (continued)

DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund

This scheme was established to accommodate the unique characteristics of contract employees and "cost to company" employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The fund was certified as being in a sound financial condition as at 30 June 2008 by the actuary. The valuation disclosed a funding level of 103.3%

Cape Joint Retirement Fund

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The valuation disclosed an actuarial surplus of R 42,9 million for the Pensioners Account and was funded at 112,2%, while the Share Account has an investment reserve of R68,5 million and was funded at 101,1%. The actuary is satisfied the fund in a sound financial position as at 30 June 2008.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2006 and reported a funding ratio of 147.3%.

No further details could be provided for after the last valuation, being 30 June 2006.

South African Municipal Workers Union National Provident Fund:

The last actuarial valuation of the fund was performed at 30 June 2005 and certified as being in a financially sound position. The next statutory valuation was due on 30 June 2008, but still in process.

55. Non Current Assets Held for Sale

Erven 3385, portion of erf 35 Franschoek was approved for sale by council. Property is held at fair value. Sale is expected to be concluded in the next 12 months.

Stellenbosch Municipality

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Restated
2011

56. Prior period errors

The correction of the errors results in adjustments as follows:

	30_06_2011 Audited	Prior Period Error Amount of Correction	30_06_2011 Restated
Assets			
Current Assets			
Inventories	5,153,149	5,575	5,158,724
Current Portion of Long Term Receivables	153,400	-	153,400
Trade and other receivables from exchange transactions	11,463,892	(171,821)	11,292,071
VAT receivable	-	-	-
Consumer debtors	98,367,941	-	98,367,938
Cash and cash Equivalents	325,028,533	-	325,028,533
	440,166,915	(166,249)	440,000,666
Non-Current Assets			
Biological assets	15,787,529	-	15,787,529
Investment Property	523,325,000	-	523,325,000
Property, plant and equipment	2,649,707,978	(47,867,001)	2,601,840,977
Intangible assets	192,417	-	192,417
Long term receivables	804,977	-	804,978
Other financial assets	-	-	-
Reimbursed asset	-	-	-
	3,189,817,901	(47,867,000)	3,141,950,901
Non-current assets held for sale and assets of disposal groups	65,000	-	65,000
Total Assets	3,630,049,816	(48,033,249)	3,582,016,567
Liabilities			
Current Liabilities			
Other financial liabilities	3,782,995	-	3,782,995
Operating lease liability	145,649	-	145,649
Trade and other payables from exchange transactions	95,616,516	1,644,013	97,260,529
Vat payable	307,295	3,195,399	3,502,694
Consumer deposits	9,374,720	-	9,374,719
Employee benefit obligations	4,483,008	-	4,483,008
Finance lease obligation	-	-	-
Unspent conditional grants and receipts	57,096,341	-	57,096,340
Provisions	6,985,482	(529,370)	6,456,112
	177,792,006	4,310,040	182,102,046
Non-Current Liabilities			
Other financial liabilities	37,758,914	-	37,758,913
Employee benefit obligations	131,602,659	-	131,602,659
Provisions	49,930,677	(37,319)	49,893,358
	219,292,250	(37,320)	219,254,930
Total Liabilities	397,084,256	4,272,720	401,356,976
Net Assets	3,232,965,560	(52,305,969)	3,180,659,591
Net Assets			
Accumulated Surplus	2,390,242,942	(139,411,623)	2,250,831,319
Housing Development Fund	2,473,721	-	2,473,721
Revaluation reserve	840,248,897	87,105,654	927,354,551
Total Net Assets	3,232,965,560	(52,305,969)	3,180,659,591

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56. Prior period errors (continued)

	Prior Period Error	
	30_06_2011 Audited	30_06_2011 Restated
	Amount of Correction	
Revenue		
Property rates	183,291,413	183,291,412
Service charges	454,860,873	454,860,873
Property rates - penalties imposed and collection charges	2,372,716	2,794,773
Rental of facilities and equipment	11,595,026	11,282,684
Interest earned - outstanding Debtors	4,071,819	3,828,548
Income from agency services	1,128,131	989,589
Fines	14,061,397	14,061,496
Licences and permits	4,462,400	4,019,388
Government grants and subsidies	96,788,177	96,788,179
Other income	15,213,482	16,044,192
Interest received - investment	19,756,636	19,756,636
Total Revenue	807,602,070	807,717,770
Expenses		
Employee related costs	(215,063,926)	(215,099,659)
Remuneration of councillors	(9,681,174)	(9,681,174)
Contribution to/from provisions	(35,237,052)	(34,669,305)
Depreciation and amortisation	(90,603,459)	(90,603,456)
Impairment loss/Reversal of impairments	(7,970,285)	(7,970,286)
Finance costs	(3,752,322)	(3,752,321)
Debt impairment	(11,316,077)	(11,316,077)
Collection costs	(94,121)	(94,136)
Repairs and maintenance	(38,030,103)	(38,217,153)
Bulk purchases	(173,670,985)	(173,670,986)
Contracted services	(8,164,511)	(8,182,022)
Grants and subsidies paid	(564,867)	(564,982)
General Expenses	(135,929,211)	(139,683,323)
	(730,078,093)	(733,504,880)
Loss on disposal of assets and liabilities	(3,317)	(3,317)
Fair value adjustments	4,795,074	4,795,074
Gain on biological assets and agricultural produce	265,618	265,617
Inventories : (Write-down)/reversal of write down to net realisable value	(121,481)	(121,481)
Surplus for the year	82,194,253	79,148,783

Stellenbosch Municipality

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2011

56. Prior period errors (continued)

Corrections of Errors and Changes in Accounting Policy

30_06_2011
Restated

Inventories

5,575

Inventories was restated due to the effect of changes in VAT.

Trade and other receivables from exchange transactions

(171,821)

Trade and other receivables from exchange transactions were restated as a result of prior period journals (Ref Jnl 622339 - Acc no 321000111 / Jnl 62469 - Acc no 465500101).

Property, plant and equipment

(47,867,001)

Property, plant and equipment were restated as a result of Non-Current assets held for sale.

Trade and other payables from exchange transactions

1,644,013

Trade and other payables from exchange transactions were restated as a result of VAT transactions that should have reflected in the 2010/11 financial year.

VAT payable

3,195,399

The vat payable was restated.

Provisions

(566,689)

Certain provisions that were previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively.

(529,370)
(37,319)

Accumulated Surplus

(139,411,623)

Accumulated Surplus was restated to account for the corrections on assets and liabilities. The apportionment application of VAT

Revaluation reserve

87,105,654

Revaluation reserve was restated to account for the corrections on assets and liabilities. The apportionment application of VAT

Property rates - penalties imposed on collection charges

422,057

Property rates - penalties imposed on collection charges was restated to correct income as a result of reclassification of income for the 2010/11 financial year.

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56. Prior period errors

Rental of facilities and equipment (312,342)

Rental of facilities and equipment was restated as a result of VAT transactions in the 2010/11 financial year.

Interest earned - outstanding Debtors (243,271)

Interest earned - outstanding Debtors was restated as a result of VAT transactions in the 2010/11 financial year.

Income from agency services (138,542)

Income from agency services was restated as a result of VAT transactions in the 2010/11 financial year.

Fines 99

Fines was restated as a result of VAT transactions in the 2010/11 financial year.

Licenses and permits (443,012)

Licenses and permits was restated as a result of VAT transactions in the 2010/11 financial year.

Other income 830,710

Other income was restated as a result of VAT transactions in the 2010/11 financial year.

Employee related costs (35,733)

Employee related costs was restated to correct expenditure that should have been accounted for in the 2010/11 financial year.

Contribution to/from provisions 567,747

Certain provisions that was previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively which affected the contribution to and from provisions.

Collection costs (15)

Collection costs was restated as a result of VAT transactions in the 2010/11 financial year.

Repairs and maintenance (187,050)

Repairs and maintenance was restated as a result of VAT transactions in the 2010/11 financial year.

Stellenbosch Municipality

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56. Prior period errors

Contracted services

(17,511)

Contracted services was previously disclosed under General Expenses and is now disclosed separately.

Grants and subsidies paid

(115)

Grants and subsidies paid was restated to correct expenditure that should have been accounted for in the 2010/11 financial year.

General Expenses

(3,754,112)

General Expenses was restated to correct expenditure that should have been accounted for in the 2010/11 financial year and the correction of expenditure duplicated.

Stellenbosch Municipality

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57. Deviations from, and ratification of minor breaches of, procurement process

In accordance with Paragraph 36 of Supply Chain Management Policy the deviations from, and ratification of minor breaches of, procurement process are listed below:

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services					
D/SM 1/12	1 7 2011	Chesmar Trading	Procure the services of a previously appointed contractor to continue clearing stormwater structures in Kayamandi, for a period of one month.	4.36(1)(a)(i) In an emergency	21,000
D/SM 2/12	3 7 2011	Mr D. Louw	Further appointment of Mr D Louw as competent person in terms of the occupational health a safety act, 1993.	4.36(1)(a)(ii) Service available from single provider	102,000
D/SM 6/12	14 7 2011	Aurecon South Africa (Pty) Ltd	Approval of increase of professional fees.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	2,525,105
D/SM 14/12	15 8 2011	CCD Construction	Contractor for cleaning at Beltana Depot offices.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	5,000
D/SM 15/12	17 8 2011	IMQS Software (Pty) Ltd	Sole supplier for maintenance of the IMQS Software for the 2011/2012 financial year.	4.36(1)(a)(ii) Service available from single provider	15,048
D/SM 16/12	19 8 2011	Louwri Civils CC	Appointment of Louwri Civils CC to provide heavy duty machinery on Stellenbosch Landfill Site.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	104,766
D/SM 19/12	8 9 2011	C T Lab (Pty) Ltd	Appointment of CT Lab for the supply, installation and monitoring of the QoS system to the remaining substations.	4.36(1)(a)(ii) Service available from single provider	183,882
D/SM 23/12	15 9 2011	Dunatos Energy Services (Pty) Ltd	Appointment of consultant - Project; "Take over of Klapmuts and other Eskom electricity supply areas."	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	22,500
D/SM 24/12	19 9 2011	HSM Amanzi	Repair of robot submersible pump for standby at Technopark sewerage pump station.	4.36(1)(a)(i) In an emergency	55,972
D/SM 25/12	19 9 2011	Hidro Tech Systems	Appointment of Hido Tech Systems for the Ad-hoc maintenance of 17 sewerage pump stations.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services (continued)					
D/SM 26/12	19 9 2011	Kaulani Civils South (Pty) Ltd	Appointment of Kaulani Civils as contractor on the completion of the outstanding sport stadiums civil works project.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	784,420
D/SM 27/12	19 9 2011	Spectrum Communications	Appointment of Spectrum Communications for the maintenance and upgrades of telemetry and scada.	4.36(1)(a)(ii) Service available from single provider	17,761
D/SM 29/12	21 9 2011	Cape Sawmills (Pty) Ltd	Appointment of Cape Sawmills for the supply of wood chips and sawdust mix.	4.36(1)(a)(i) In an emergency	29,640
D/SM 38/12	12 10 2011	Louwri Civils CC	Appointment of Louwri Civils CC to provide heavy duty machinery on Stellenbosch Landfill Site.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	182,249
D/SM 40/12	12 10 2011	Moses Civils	Upgrading of road safety measures along Webbersvallei Road, Jamestown.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	425,879
D/SM 44/12	17 11 2011	SSE Cape	Repairs and upgrading of Groendal water pump station from 22KW to 45KW.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	103,432
D/SM 45/12	10 11 2011	Emanti Management	Operation of the drinking water quality management program and analysis of raw and drinking water.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	44,694
		CSIR			74,923
D/SM 46/12	9 12 2011	C T Lab (Pty) Ltd	Appointment of CT Lab for the supply, installation and monitoring of the QoS system to the Suidwal substation.	4.36(1)(a)(ii) Service available from single provider	94,563
D/SM 52/12	10 1 2012	Isuzu Truck Centre	Service and repairs to Isuzu road tanker, registration number CL 39408.	4.36(1)(a)(vi)- Repairs to vehicle that need to be stripped to quote	58,215
D/SM 53/12	12 1 2012	Eskom	Upgrading of Jamestown Street lighting network.	4.36(1)(a)(ii) Service available from single provider	159,950
D/SM 54/12	12 1 2012	Live Wire Engineering & Consulting	Electricity tariffs evaluation and proposal for 2012/2013 financial year.	4.36(1)(a)(ii) Service available from single provider	117,206
D/SM 55/12	12 1 2012	IMQS Software (Pty) Ltd	The expansion of an existing Integrated Municipal Infrastructure Management System (IMQS) to include all relevant Municipal services.	4.36(1)(a)(ii) Service available from single provider	846,792
D/SM 56/12	24 1 2012	Jeffares & Green Engineering & Environmental Consulting	Appointment of Jeffares and Green as consulting Civil Engineers to perform the additional actions as required to complete the modeling for the greater Stellenbosch.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	741,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services (continued)					
D/SM 57/12	24 1 2012	Vela VKE Consulting Engineers (Pty) Ltd	Appointment of Vela VKE as consulting civil engineers to perform the additional actions as required for the roads master planning and operating licence process.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	451,440
D/SM 64/12	14 2 2012	VB Agri (Pty) Ltd	Repairs to front end loader used at Stellenbosch Wastewater Treatment Works.	4.36.1(a)(vi) repairs to motor vehicles, machinery and equipment that need to be stripped to quote.	33,653
D/SM 66/12	22 2 2012	Dipro Consulting CC	Installation of protection relays.	4.36(1)(a)(ii) Service available from single provider	127,680
D/SM 68/12	19 3 2012	ABB South Africa (Pty) Ltd	Repairs to medium voltage circuit breaker at Curry Substation.	4.36(1)(a)(ii) Service available from single provider	56,523
D/SM 69/12	19 3 2012	KBK Power Solutions	Appointment of KBK Power Solutions for the installation and commissioning of cable work to the new feeder panels.	4.36(1)(a)(ii) Service available from single provider	73,655
D/SM 70/12	19 3 2012	ABB South Africa (Pty) Ltd	Kromrivier substation repairs to ABB 11kV panel.	4.36(1)(a)(ii) Service available from single provider	52,070
D/SM 71/12	28 3 2012	Power Transformers	Repairs and service of minisubstations and transformers.	4.36.1(a)(vi) machinery and equipment that need to be stripped to quote	143,424
D/SM 72/12	2 4 2012	Adenco Construction	Installation and commissioning of new 11kV feeder panels: SS Cemetery, SS Lang Street, SS Uniepark, SS Tortelduif and SS La Colline Substations.	4.36.1(a)(vi) machinery and equipment that need to be stripped to quote	212,934
D/SM 76/12	18 4 2012	Wetchem	Supply and deliver of de-watering polymer, Snowflake CHMW for Stellenbosch Wastewater Treatment Works.	4.36(1)(a)(ii) Service available from single provider	Rates approved
D/SM 77/12	19 4 2012	At Work Health and Safety	Purchase of medium voltage switching flash suits.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	128,789
D/SM 78/12	24 4 2012	WAM Technology	Annual license fee for the Municipal Assistant and Customer Relations Management (CRM) Systems.	4.36(1)(a)(ii) Service available from single provider	26,750
D/SM 80/12	3 5 2012	Grace Construction	Installation of fibre optic cable ducts adjacent to the feeder cables at Piet Retief, Welgevallen and Park Streets as prescribe by new legislation.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	22,604

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services (continued)					
D/SM 84/12	9 5 2012	ATC (Pty) Ltd	Supply and installation of 66kv underground cable and associated equipment (Phase 1 and Phase 2).	4.36(1)(a)(ii) Service available from single provider. 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Settlement agreement in process; subject to being made an Order of Court.
D/SM 85/12	16 5 2012	Schweitzer Engineering Laboratories (Pty) Ltd	Supply of communication convertors	4.36(1)(a)(ii) Service available from single provider	62,016
D/SM 92/12	7 6 2012	P and B Limeworks	Supply and delivery of aquastab lime pebbles to Idasvalley filtration plant, Stellenbosch.	4.36(1)(a)(ii) Service available from single provider	113,780
D/SM 93/12	13 6 2012	Xylem Water Solution South Africa (Pty) Ltd	Supply, delivery, install and commission scum removal pumps at Franschoek WWTW.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	39,193
Total Deviations:		39			

Public Safety

D/SM 10/12	29 7 2011	Hlanganani Blick	Upgrade of ID card software.	4.36(1)(a)(ii) Service available from single provider	5,700
D/SM 33/12	27 9 2011	Altech Alcom Matomo Pty Ltd	Supply and delivery of Etsi Tetra radio equipment until March 2013.	4.36(1)(a)(ii) Service available from single provider	Rates approved
D/SM 58/12	24 1 2012	Syntell (Pty) Ltd	Extension of contract for Syntell.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
D/SM 94/12	18 6 2012	Kempster Sedgwick (Pty) Ltd	Supply and delivery of a new commercial diesel powered panel van.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	302,768
D/SM 74/12	11 4 2012	ACE Parking	Extension of ACE Parking.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
Total Deviations:		5			

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Community Services					
D/SM 30/12	23 9 2011	Van Zyl & Associates	Appointment of Van Zyl & Associates as consulting engineers for the asphaltting works at the La Motte/Devon Valley netball courts.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	26,522
D/SM 35/12	4 10 2011	CSX Customer Services	Electronic book security system for Cloeteville and Idasvalley libraries.	4.36(1)(a)(ii) Service available from single provider	348,323
D/SM 39/12	12 10 2011	Business Engineering (Pty) Ltd	Electronic Records System for all the cemeteries managed by the Stellenbosch Municipality.	4.36(1)(a)(ii) Service available from single provider	114,707
D/SM 48/12	10 12 2011	Cape Concrete CC	Pre-cast concrete construction at Jan Marais Park: Eco Centre.	4.36(1)(a)(ii) Service available from single provider	292,068
D/SM 89/12	15 5 2012	SKCM Consulting Engineers	Extension of cemeteries infrastructure	4.36(1)(a)(ii) Service available from single provider	16,051
D/SM 81/12	8 5 2012	FCS Civils/ICC	Appointment of civil contractor for outstanding paving work at Van Der Stel sports grounds.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	522,839
Total Deviations: 6					

Strategic and Corporate Services

D/SM 28/12	19 9 2011	Mr Stephan Boshoff	Appointment of a consultant for the facilitation of the IDP strategic session scheduled for 22 & 23 September 2011.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	29,070
D/SM 37/12	12 10 2011	ODA	Appointment of consultant to assist with the integration of IDP - Municipal processes (3rd Generation IDP).	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	136,800
D/SM 51/12	9 1 2012	ODA	Appointment of consultant to assist with the integration of IDP - Municipal processes (3rd Generation IDP).	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	200,000
D/SM 67/12	2 3 2012	Mr. J. Coetzee	Appointment of Mr. Jan Coetzee for the supervision of machinery in terms of the Occupational Health and Safety Act.	4.36(1)(a)(i) In an emergency	68,000
D/SM 73/12	2 4 2012	Fairbridges Attorneys	Appointment of an attorney firm, namely Fairbridges Attorneys, for the provision of legal advice and legal representation on the SALGBC matter.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
D/SM 75/12	11 4 2012	ODS Consulting	Appointment of consultant to assist with the Macro Structure of Council.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	36,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Strategic and Corporate Services (continued)					
D/SM 90/12	28 5 2012	Metrofile (Pty) Ltd	Extension of FQ?SM 226/12 - Sorting and categorising of HR records and compilation of registers of files opened.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	13,680
D/SM 91/12	4 6 2012	Space for Development	Stellenbosch valley of character training.	4.36(1)(a)(ii) Service available from single provider	376,000
Total Deviations: 8					

Financial Services

D/SM 7/12	15 7 2011	Cape Office Machines (Pty) Ltd	Photo copier rental for rates department for a period of 3 months.	4.36(1)(a)(i) In an emergency	6,765
D/SM 13/12	11 8 2011	Total South Africa (Pty) Ltd	Approval of Total South Africa (Pty) Ltd for the supply and delivery of petrol and diesel on a month to month basis until the implementation of Fleet Management Solution.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 17/12	24 8 2011	Geodebt Solutions CC	Appointment of Geodebt to conduct credit control functions for Stellenbosch Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	Final amount determined after completion
D/SM 31/12	26 9 2011	INCA Portfolio Managers	Rendering the services of an independent financial assessment and cash flow forecast modeling.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	195,000
D/SM 65/12	2 2 2012	Ratings Afrika	Municipal sustainability rating.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	88,920
D/SM 86/12	16 5 2012	IMQS Software (Pty) Ltd	Appointment of IMQS to complete the stock take of the Stellenbosch Municipality's Infrastructure Assets.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	612,408
D/SM 95/12	19 6 2012	AON South Africa (Pty) Ltd	Extension of insurance contract for a period of six months ending 31 December 2012.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	2,000,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Financial Services (continued)					
D/SM 96/12	19 6 2012	Total South Africa (Pty) Ltd	Service provider to supply petrol and diesel for the shorter period of: actual date of commencement of the fleet management system or twelve months ending June 2013.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Amount will depend on the actual usage of vehicles per department.
D/SM 97/12	27 6 2012	Neotel	Provision of fixed voice and data telecommunications services for a period of 2 years. (60 SIP channels)	4.32. Procurement of goods and services on contracts secured by other organs of state.	Rates approved.
D/SM 99/12	28 6 2012	ABSA	Banking Services	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
Total Deviations: 10					

Planning and Development

D/SM 3/12	6 7 2011	PDFH	Rectification of the roofs at the 82 units at the Steps/Orlean Lounge and the water channels and sealants to construction joints to the 161 units.	4.36(1)(a)(i) In an emergency	1,249,840
		SBI Properties	Structural engineers to monitor and certify the quality of work and payments.		25,093
		Safetycon	Occupational Health and Safety officers.		4,788
D/SM 4/12	14 7 2011	Calidris Development Management	Appointment of consultant project management and co-ordinating services for a period of six months.	4.36(1)(a)(i)- In an emergency	342,000
D/SM 5/12	5 7 2011	SKCM Consulting Engineers	Approval of increase of professional fees.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	145,830
D/SM 11/12	2 8 2011	Koelpark Development (Pty) Ltd	Implementation agent on behalf of Stellenbosch Municipality for the development of Erf 2124, part of the Klappmuts housing project on portion 342 Klappmuts.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	9,935,145
D/SM 12/12	2 8 2011	Longlands Holdings (Pty) Ltd	Implementation agent on behalf of Stellenbosch Municipality for the development of Portion B of the Longlands Development, on Portion 11 of farm 393, Stellenbosch.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	3,180,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Planning and Development (continued)					
D/SM 20/12	12 9 2011	Schindler Lifts SA (Pty) Ltd	Appointment of Schindler lifts SA (Pty) Ltd for structural maintenance work at Aurora flats.	4.36(1)(a)(ii) Service available from single provider	3,765
D/SM 21/12	12 9 2011	Schindler Lifts SA (Pty) Ltd	Appointment of Schindler lifts (Pty) Ltd for structural maintenance work at Lavanda flats: lift CTE 72.	4.36(1)(a)(ii) Service available from single provider	6,192
D/SM 36/12	12 10 2011	SBI Properties	Appointment of project manager and safety agent to facilitate the planning and construction of Klappmuts resource centre.	4.36(1)(a)(i) In an emergency	150,000
D/SM 42/12	25 10 2011	Koelpark (Pty) Ltd	Bronze casting of the "Oom Jan" bust	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	8,683
D/SM 47/12	13 12 2011	Schindler Lifts (Pty) Ltd	Structural maintenance work at the Phyleraia flats.	4.36(1)(a)(ii) Service available from single provider	5,820
D/SM 59/12	24 1 2012	Schindler Lifts (Pty) Ltd	Appointment of Schindler lifts (pty) ltd for structural maintenance work at the Phyleraia flats.	4.36(1)(a)(ii) Service available from single provider	175,750
D/SM 60/12	26 1 2012	Friedlander, Burger & Volkmann	Complete and submit general plan for Watergang: 106 Units.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	112,336
D/SM 79/12	24 4 2012	Mr D. Langdon	Appointment of a quantity surveyor for the new additional office space.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
Total Deviations: 13					

Municipal Manager's Office

D/SM 8/12	18 7 2011	ODS Consultants CC	Facilitator for Strategic Session - Mayco and Directors - 20-22 July 2011 at Plein Street, Library Hall.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	28,000
D/SM 9/12	26 7 2011	Augustine Cloete Attorneys	Appointment of External Legal Services to advise and/or institute or defend any application or summons for the demolition of illegal building works and/or contravention of the Land Use Planning Ordinance, 15 of 1985.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	Final amount determined after completion

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Municipal Manager's Office (continued)					
D/SM 18/12	29 8 2011	Webber Wentzel	Appointment of External Legal Services to advise, make representations or oppose/or abide the interdict application and anticipated review application against Brashville Properties 51 (Pty) Ltd.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	Final amount determined after completion
D/SM 22/12	12 9 2011	Cliffe Dekker Hofmeyr Inc	Appointment of external legal services to advice and oppose the Mandament of Spolie on the Municipality's behalf.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 32/12	27 9 2011	Supreme Upholstery	Renovate/upgrade the reception area of the Executive Mayor.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	29,774
		Meyer & Ferreira Furniture			4,800
D/SM 34/12	3 10 2011	Van Heerden Van der Walt Attorneys	Transfer of approximately 1296 properties to various subsidy beneficiaries I terms of various housing projects in Stellenbosch WC024 area.	4.36(1)(a)(i) In an emergency & 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 41/12	28 10 2011	Webber Wentzel	Appointment of an attorney firm, namely Webber Wentzel, to advice, institute and conduct a clause 4.38 Supply Chain Management Policy investigation regarding the alleged misrepresentation/s made by Consolidated Power Projects (Pty) Ltd in its tender proposal and their conduct after the awarding of the tender including the appointment of a panel to adjudicate the findings and allegations.	4.36(1)(a)(i) In an emergency & 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 43/12	10 11 2011	CSM Attorneys	Appointment of an attorney firm, namely CSM Attorneys, to attend on the collection of all outstanding rental amounts in terms of lease agreements entered into between the Municipality and the various lessees of houses in the La Motte Village.	4.36(1)(a)(i) In an emergency & 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 49/12	9 12 2011	Visser Kapperer De Bruin Argitekte (EDMS) BPK	Ratify: signature date.	4.36(1)(b)- Ratify any minor breaches.	-

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Municipal Manager's Office (continued)					
D/SM 50/12	21 12 2011	Cliffe Dekker Hofmeyr Inc	Appointment of external legal services to advise and oppose the High Court interdict application to consider the building plans submitted by Rapicorp 48 (Pty) Ltd and review the application and/or any other application/summons in this matter against Stellenbosch Municipality.	4.36(1)(a)(i) In an emergency & 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 61/12	31 1 2012	ABB South Africa (Pty) Ltd	Ratify the awarded rates that read "Excluding VAT " and not 'Including VAT'. The awarded rates must therefore be amended to include VAT.	4.36.1(b) Ratify any minor breaches	-
D/SM 62/12	31 1 2012	Cliffe Dekker Hofmeyr Inc	Appointment of external legal services to advise and oppose the matter on the Municipality's behalf, according to a notice in terms of CIDB regulations.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
D/SM 63/12	31 1 2012	Webber Wentzel	Appointment of external legal services to institute appropriate legal action for the review of the Municipality's decision to award a tender.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
D/SM 82/12	4 5 2012	Bradley Conradie Attorneys	Appointment of external legal services to advise and assist Municipal Manager and Executive Mayor insofar the appointment of the Accounting Officer is concerned and various other labour matters that requires the urgent attention of the Acting Municipal Manager.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
D/SM 83/12	11 5 2012	Deloitte	Appointment of an organizational specialist.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	386,400
D/SM 87/12	18 5 2012	Webber Wentzel	Appointment of an attorney firm namely, Webber Wentzel, to furnish advisory in relation to the legal complexities and assistance with action in relation to the award of Tender B/SM 352/11 (including potentially litigious action) as well as the Municipality's conduct thereafter.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Municipal Manager's Office (continued)					
D/SM 88/12	15 5 2012	Augustine Cloete Attorneys	Appointment of an attorney firm, namely Augustine Cloete Attorneys, to attend to all litigious and conveyancing aspects relating to the transfer of Erf 7802 Stellenbosch.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
D/SM 98/12	28 6 2012	Cliffe Dekker Hofmeyr Inc	Appointment of an attorney firm, namely Cliffe Dekker Hofmeyr Inc, to attend to litigation in respect of case 1357/2012: Fenwisck Boshoff Attorneys v Stellenbosch Municipality, as well as the assessment of the merits of the claim being filed against Stellenbosch Municipality.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
Total Deviations:		18			
Total Deviations approved 99					

Stellenbosch Municipality

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58. Certificate of Emergencies

In accordance with Paragraph 36 of Supply Chain Management Policy the certificate of emergencies per directorate are listed below:

Date of Adjudication	Supplier	Short Description of Goods/ Services Procured	Reason for deviation	Contract/ Order Amount
Engineering Services				
13 7 2011	Gearbox Repair Centre CC	Repairs to vehicle CL52277.	4.36.4 Certificate of Emergency	35,343
15 7 2011	Blue Earthmoving	Hiring of dozer for the Landfill Site.	4.36.4 Certificate of Emergency	41,373
19 7 2011	Leading Edge 70 CC	Installation of security window and door screens at La Motte Wastewater Treatment (LMWWT) electric switch room building.	4.36.4 Certificate of Emergency	21,974
21 7 2011	Business Behind Empowerment	Call-out repairs to the front end loader at Stellenbosch Wastewater Treatment Works.	4.36.4 Certificate of Emergency	2,828
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Emergency call out to Jamestown Pump Station - Float switches.	4.36.4 Certificate of Emergency	1,807
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Klapmuts No. 1 La Motte & Lanquedoc Sewer Pump Station Inspection.	4.36.4 Certificate of Emergency	4,150
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Emergency call out for electrician to Tegnopark pump station.	4.36.4 Certificate of Emergency	1,528
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Repairs of Hidorstal pump Model C080-LHIR CWT2 At Klapmuts No.1 Sewer Pump Station.	4.36.4 Certificate of Emergency	14,387
2 8 2011	G.M Waste	Management of Stellenbosch Landfill Site.	4.36.4 Certificate of Emergency	29,000
11 8 2011	Absolute Ablutions	Repairs to vandalized Kayloo at Kayamandi informal settlement in Stellenbosch.	4.36.4 Certificate of Emergency	33,546
24 8 2011	D P Truckhire	Door to door collection of containerised waste from Stellenbosch.	4.36.4 Certificate of Emergency	20,064
30 8 2011	Blue Earthmoving	Hiring of digger loaders, dumper and tipper trucks to cart away sludge from belt press area, and mulch to the Stellenbosch Wastewater Treatment plant.	4.36.4 Certificate of Emergency	277,157
16 9 2011	Bright Idea Project 719 CC	Cleaning of Swartz Close, Kayamandi.	4.36.4 Certificate of Emergency	6,672
13 10 2011	Stellenbosch Premier Manufactures (Pty) Ltd	Repair vandalized reservoir at Uniepark in Stellenbosch.	4.36.4 Certificate of Emergency	13,538
19 10 2011	Go2 Plant Hire	Hiring of refuse compactor.	4.36.4 Certificate of Emergency	11,286
26 10 2011	Interwaste Pty Ltd	The removal and transport of 4 x 15m³ Roro bins from Stellenbosch wastewater treatment works to a licenced dumping site for safe disposal.	4.36.4 Certificate of Emergency	11,980
28 10 2011	SSE Cape	Repair of broken soft starter in La Motte water pump station.	4.36.4 Certificate of Emergency	45,564
11 11 2011	Reticulation and General Supplies.	The removal and transport of 2 x 10m³ roro bins from Stellenbosch Wastewater Treatment Works to licenced dumping site for safe disposal.	4.36.4 Certificate of Emergency	595
8 12 2011	Exeo Khokela Civil Engineering Construction (Pty) Ltd	Repair and diversion of collapsed bulk sewer at Franschoek WWTW.	4.36.4 Certificate of Emergency	120,579
20 1 2012	Leading Edge 70 CC	Installation of burglar bars in De Zalze pump station.	4.36.4 Certificate of Emergency	13,566
9 2 2012	Jetvac South Africa	Unblocking and cleaning of sewer pump station in Plakenburg Industrial area.	4.36.4 Certificate of Emergency	11,172
10 2 2012	Hidro-Tech Systems (Pty) Ltd	Repair to Homa Pump at Pniel sewerage pump station.	4.36.4 Certificate of Emergency	22,891
21 2 2012	Camel Rock Security Trading 539 CC	Security services for Kayamandi pump station and reservoir to sustain water supply to Kayamandi area and surrounding farms (20-24 February 2012)	4.36.4 Certificate of Emergency	6,440
21 2 2012	QCK Lezmin 4366 t/a Future Trees	Felling of mature oak tree in Drostydy Street, Stellenbosch.	4.36.4 Certificate of Emergency	7,182
23 2 2012	Camel Rock Security Trading 539 CC	Security services for Kayamandi pump station and reservoir to sustain water supply to Kayamandi area and surrounding farms (16-20 February 2012)	4.36.4 Certificate of Emergency	6,440
6 3 2012	Jetvac South Africa	Repair water jet machine pump.	4.36.4 Certificate of Emergency	34,867
6 3 2012	Protocor Twenty Two CC	Replace faulty power supply unit for beltpress 1 at the De-Watering facility of Stellenbosch Wastewater Treatment Works.	4.36.4 Certificate of Emergency	18,307
11 4 2012	White Earth Trading t/a Wetchem	Supply of De-Watering polymer, snowflake CHMW.	4.36.4 Certificate of Emergency	28,643
15 5 2012	Reflect All Compressors	Repairs to airblowers and attenuator at Paradyskloof Water Treatment plant.	4.36.4 Certificate of Emergency	45,255
22 5 2012	Go2 Plant Hire	Hiring of refuse compactor.	4.36.4 Certificate of Emergency	11,286
24 5 2012	RRR Civils	Water pipe repair work in Ryneveld and Cupido Street, Stellenbosch.	4.36.4 Certificate of Emergency	12,330
18 6 2012	Maxal Projects (SA) (Pty) Ltd	Emergency upgrade to chlorine dosing unit at Franschoek WWTW.	4.36.4 Certificate of Emergency	27,919
21 6 2012	Hydratech	Hiring of refuse compactor.	4.36.4 Certificate of Emergency	30,780
21 6 2012	Go2 Plant Hire	Hiring of refuse compactor with bin lifters.	4.36.4 Certificate of Emergency	11,286

58. Certificate of Emergencies (continued)

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Date of Adjudication	Supplier	Short Description of Goods/ Services Procured	Reason for deviation	Contract/ Order Amount
22 6 2012	Surevac Logistics	Road tanker services at KWV sewerage pump station, Jonkershoek picnic terrain and Franschoek Parks.	4.36.4 Certificate of Emergency	2,052
22 6 2012	Surevac Logistics	Road tanker services at Pniel sewerage pump station.	4.36.4 Certificate of Emergency	5,187
22 6 2012	Leading Edge 70 CC	Replace bearings and wheel at secondary settling tank 1 (SST1).	4.36.4 Certificate of Emergency	5,586
20 6 2012	S.Dreyer (CAR) t/a Dreyer Cleaning Solutions.	Blockage on Eerste River.	4.36.4 Certificate of Emergency	28,500
21 6 2012	Payless Fitment Centre	Supply new steering box for CL 30744.	4.36.4 Certificate of Emergency	6,500
22 6 2012	Integral Laboratories (Pty) Ltd	Full SANS 241:2011 analysis of raw and final water.	4.36.4 Certificate of Emergency	40,897
18 6 2012	Leading Edge 70 CC	Repairs to belt press 1 at the Stellenbosch WWTW.	4.36.4 Certificate of Emergency	7,752
22 6 2012	Protocor Twenty Two CC	Repairs to belt press 1 at the Stellenbosch WWTW (Automation Specification).	4.36.4 Certificate of Emergency	13,779
22 6 2012	Hydo-Tech Systems (Pty) Ltd	Replace pump at Klampmuts 3 sewerage pump station.	4.36.4 Certificate of Emergency	90,972
25 6 2012	LDK Industrial CC	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	6,327
25 6 2012	Adenco Construction (Pty)Ltd	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	21,667
25 6 2012	RACEC (Pty) Ltd	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	66,957
25 6 2012	Polybox	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	27,930
27 6 2012	Xtantis (Pty)Ltd	Hire of generator	4.36.4 Certificate of Emergency	34,055
27 6 2012	Exeo Khokela Civil Engineering Construction (Pty) Ltd	Reinstate Brandwacht Road damaged by burst water main.	4.36.4 Certificate of Emergency	59,600
27 6 2012	Bazamile Trading CC	Operations and maintenance of communal ablution facilities at Kayamandi Informal Settlement.	4.36.4 Certificate of Emergency	68,620
28 6 2012	RRR Civils CC	Repair to collapsed main sewer in Forelle Street, Die Boord.	4.36.4 Certificate of Emergency	14,097
28 6 2012	Immex Waste Management CC	Road tanker services at Pniel sewerage pump station (IMMEX)	4.36.4 Certificate of Emergency	31,806
29 6 2012	Henntech Services	Repairs to stolen cables and recommissioning of plant at Franschoek WWTW.	4.36.4 Certificate of Emergency	46,673
Total Emergency certificates for Engineering Services:				-
Total Value amount:				1,560,688
Public Safety				
14 9 2011	Fire Raiders Cape (Pty) Ltd	Repair fire pump transfer case - CL 50544.	4.36.4 Certificate of Emergency	79,751
31 5 2012	Online Security System	Replacement of radio base station of alarm system for Stellenbosch Municipality.	4.36.4 Certificate of Emergency	31,350
11 6 2012	Camel Rock Trading 539 CC	Provision of emergency security services at Cloetesville sportsgrounds.	4.36.4 Certificate of Emergency	3,192
12 6 2012	Country Building Supplies	Fire and flood kits for informal structures in various informal areas in the Stellenbosch region.	4.36.4 Certificate of Emergency	262,599
12 6 2012	Breerivier Groothandelaars	Food parcels for informal structures in various informal areas in the Stellenbosch region.	4.36.4 Certificate of Emergency	7,332
12 6 2012	Pep Stellenbosch	Blankets for informal structures in various informal areas in the Stellenbosch region.	4.36.4 Certificate of Emergency	6,998
13 6 2012	Redhills Electronics	Supply and installation of avigilon 16 CH HVR and replace dome camera at Beltana.	4.36.4 Certificate of Emergency	78,555
28 6 2012	Redhills Electronics	Supply of 165 metres 3 core steel wire armour cable.	4.36.4 Certificate of Emergency	3,966
Total Emergency certificates for Public Safety				-
Total Value amount:				473,743
Community Services				
11 7 2011	Stellenbosch Premier Manufactures (Pty) Ltd	Perform specialized metal tests to determine whether the remaining two flood lights on Pniel Sports Ground comply with the health and safety standards.	4.36.4 Certificate of Emergency	5,016
Total Emergency certificates for Community Services:				-
Total Value amount:				5,016
Strategic and Corporate Services				
27 6 2012	Marena van Wyk	Psychological services/counselling for employees of Stellenbosch Municipality.	4.36.4 Certificate of Emergency	21,395
27 6 2012	Jonty Engineering and Trading SA	Appointed to erect 51 Wendy houses at La Rochelle informal settlement.	4.36.4 Certificate of Emergency	14,200
Total Emergency certificates for Strategic and Corporate Services:				-
Total Value amount:				35,595
Total Emergency Certificates for 2011/2012 Financial year:				-
Total Value amount for Emergency Certificates 2011/2012 Financial year:				R 2,075,041

Stellenbosch Municipality

Appendix A for the year ended 30 June 2012

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

Details	Loan Number	Redeemable Date	Balance at 30 June 2011	Received during the Period	Redeemed during Period	Balance at 30 June 2012
DEVELOPMENT BANK OF SOUTH AFRICA			R	R	R	R
DBSA @ 9,25%	101878	31 Dec 2020	24,075,447		1,669,050	22,406,397
DBSA @ 11,55%	103081	30 June 2025	11,123,576	9,635,342	1,013,732	19,745,186
DBSA @ 10.25%	103905	30 June 2026	4,727,026	38,039,049	2,058,920	40,707,155
Trans-Caledon Tunnel Authority	TCTA	30 June 2012	1,615,859	-	1,615,859	-
Total External Loans			41,541,908	47,674,391	6,357,560	82,858,738

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
LAND & BUILDINGS										
PPE Buildings	337,426,523	1,115,567	-	32,655,697	371,197,787	(4,225,953)	(89)	951,113	(3,274,929)	367,922,858
Land and Buildings	436,566,263			(6,316,870)	430,249,393	(3,763,263)	(1,723,146)	(2,562,193)	(8,048,602)	422,200,791
Landfill Sites	6,272,575		-		6,272,575	(892,846)	(367,878)	-	(1,260,724)	5,011,851
Vacant land	13,412,000		-		13,412,000	-	-	-	-	13,412,000
	793,677,361	1,115,567	-	26,338,827	821,131,755	(8,882,062)	(2,091,112)	(1,611,080)	(12,584,254)	808,547,501
INFRASTRUCTURE ASSETS										
Access control	1,472,834	178,988	-	-	1,651,822	(248,028)	(303,690)	-	(551,718)	1,100,105
Aprons	111,614	-	-	-	111,614	(11,253)	(5,596)	-	(16,849)	94,765
Bridges, subways & culverts	14,137,162	-	-	-	14,137,162	(750,942)	(370,644)	-	(1,121,586)	13,015,577
Bus terminals	4,112,126	797,613	-	-	4,909,739	(733,983)	(242,062)	-	(976,046)	3,933,693
Car parks	24,389	-	-	-	24,389	(9,762)	(1,223)	-	(10,985)	13,404
Fencing	7,901,118	797,597	-	-	8,698,715	(2,846,234)	(1,476,498)	-	(4,322,732)	4,375,983
Footways	37,722,104	3,824,109	799,000	-	42,345,213	(5,614,492)	(2,146,920)	-	(7,761,413)	34,583,800
Mains electrical	30,426,624	3,008,223		(523,717)	32,911,130	(9,271,239)	(2,895,701)	-	(12,166,940)	20,744,190
Mains water	57,976,659	2,736,871		-	60,713,530	(5,185,726)	(2,582,508)	-	(7,768,234)	52,945,296
Meters electrical	232,817	712,267		-	945,084	(37,856)	(51,407)	-	(89,263)	855,821
Meters water	54,653,114	17,366		-	54,670,480	(7,705,594)	(2,515,071)	-	(10,220,665)	44,449,815
Motorways	662,564,267			8,810,790	671,375,057	(99,466,144)	(22,705,114)	(8,810,790)	(130,982,048)	540,393,009
Outfall sewers	12,179,572			-	12,179,572	(608,979)	(610,647)	-	(1,219,626)	10,959,947
Paving	2,253,957	1,326,003		-	3,579,959	(43,978)	(116,567)	-	(160,545)	3,419,414
Pump stations	2,667,956			-	2,667,956	(134,555)	(133,763)	-	(268,318)	2,399,638
Purification works	159,388,594	290,575	36,184,792	-	195,863,962	(40,589,398)	(7,006,823)	-	(47,596,221)	148,267,741
Rights	27,652			-	27,652	(11,068)	(1,386)	-	(12,455)	15,197
Other roads	45,022,414	16,277,352	2,922,095	-	64,221,861	(4,382,109)	(4,458,517)	-	(8,840,626)	55,381,235
Security systems	22,098,630	674,746		-	22,773,376	(4,114,762)	(2,886,555)	-	(7,001,317)	15,772,060
Sewers	7,650,883			-	7,650,883	(46,804)	(383,592)	-	(430,397)	7,220,486
Sewerage pumps	33,094	2,516,182		-	2,549,276	(2,291)	(128,596)	-	(130,887)	2,418,389
Street lighting	211,287,914	160,276		-	211,448,190	(15,537,431)	(6,507,978)	-	(22,045,409)	189,402,780
Supply/reticulation electrical	1,045,456	3,270,487		-	4,315,943	(145,909)	(970)	-	(146,879)	4,169,064
Supply/reticulation water	314,776,912	885,000		-	315,661,912	(101,553,502)	(6,849,456)	-	(108,402,958)	207,258,954
Stormwater drains	12,901,717	647,531		-	13,549,247	(2,551,907)	(668,060)	-	(3,219,967)	10,329,280
Switchgear equipment	137,050,918	14,932,621		-	151,983,540	(10,991,911)	(4,899,511)	-	(15,891,422)	136,092,117
Reservoirs & tanks	116,677,229		5,379,903	-	122,057,132	(55,325,641)	(2,758,696)	-	(58,084,337)	63,972,795
Taxiways	8,644,552	1,156,444		-	9,800,996	(120,626)	(433,570)	-	(554,196)	9,246,800
Transformer kiosks	116,184,636			-	116,184,636	(19,921,150)	(4,769,641)	-	(24,690,791)	91,493,845
Traffic lights	660,085	399,969		-	1,060,054	(16,387)	(27,050)	-	(43,437)	1,016,617
Street names & traffic signs	2,909,408	1,028,295	-	-	3,937,703	(1,463,356)	(469,510)	-	(1,932,867)	2,004,837
	2,044,796,408	55,638,515	45,285,790	8,287,073	2,154,007,786	(389,443,018)	(78,407,324)	(8,810,790)	(476,661,132)	1,677,346,654
COMMUNITY ASSETS										
Buildings	5,539,809	1,365,433	1,359,326	(16,285)	8,248,283	(185,098)	(196,051)	-	(381,149)	7,867,134
Cemeteries	574,646	93,119	-	-	667,765	(7,907)	(20,238)	-	(28,145)	639,620
Community centre	72,921		-	-	72,921	(198)	(2,437)	-	(2,636)	70,285
Fire stations	-		279,705	-	279,705				-	279,705
Game reserves	154,100		-	-	154,100	(2,786)	(5,151)	-	(7,937)	146,163
Informal housin	5,825,939	185,655	-	-	6,011,594	(2,333,302)	(292,121)	-	(2,625,422)	3,386,172
Lakes and dams	466,280	409,603	-	-	875,883	(511)	(23,490)	-	(24,001)	851,882
Libraries	163,417		-	-	163,417	(123)	(5,462)	-	(5,585)	157,832

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Municipal buildings	7,979,646			-	7,979,646	(270,770)	(256,724)	-	(527,493)	7,452,153
Municipal houses	-			-	-			-	-	-
Museum/art gall	-			-	-			-	-	-
Netball courts	-			-	-			-	-	-
Nusery		169,689			169,689		(581)		(581)	169,108
Outdoor sports	1,608,538	463,106		-	2,071,645	(39,862)	(93,502)	-	(133,364)	1,938,281
Parks	2,506,211	1,079,002		-	3,585,213	(91,228)	(88,321)	-	(179,549)	3,405,664
Public conveniences/ bathhouses	12,704,861	201,235		-	12,906,096	(377,304)	(426,508)	-	(803,812)	12,102,284
Recreation cent	291,735			-	291,735	(9,916)	(9,751)	-	(19,667)	272,068
Stadiums	40,487,648			-	40,487,648	(1,232,890)	(1,208,053)	-	(2,440,942)	38,046,706
Swimming pools	30,335			-	30,335	(2,593)	(1,521)	-	(4,114)	26,221
	78,406,086	3,966,843	1,639,031	(16,285)	83,995,674	(4,554,487)	(2,629,910)	-	(7,184,397)	76,811,277
OTHER ASSETS										
Air conditioner	277,696	221,047	-	-	498,742	(83,497)	(52,934)	-	(136,432)	362,310
Audio Equipment	-	590	-	-	590	-	(130)	-	(130)	460
Library Books	498,946	342,162	-	-	841,109	(231,843)	(126,874)	-	(358,717)	482,392
Broom - drawn	-				-	0			-	-
Bulk containers	183,022		-	-	183,022	(28,389)	(17,302)	-	(45,691)	137,331
Cabinets/cupboard	1,648,848	455,711	-	-	2,104,559	(1,032,249)	(144,440)	-	(1,176,689)	927,870
Canopy	68,706	6,491	-	-	75,197	(12,798)	(14,878)	-	(27,676)	47,521
Chairs	1,883,830	200,848	-	-	2,084,678	(1,181,804)	(281,795)	-	(1,463,599)	621,078
Cleaner - steam	72,477		-	-	72,477	(69,112)	(3,365)	-	(72,477)	-
Computer hardware	6,245,270	3,158,122	755	-	9,404,147	(3,736,674)	(798,462)	-	(4,535,136)	4,869,011
Compactor	17,500		-	-	17,500	(17,500)		-	(17,500)	-
Compactor - plate	25,271		-	-	25,271	(23,218)	(2,053)	-	(25,271)	-
Computer software	2,495,924	3,411,442	-	-	5,907,366	(1,183,596)	(729,160)	-	(1,912,756)	3,994,611
Control system	-		499,825	-	499,825	-		-	-	499,825
Conveyors	-		-	-	-	-		-	-	-
Drill - concret	9,939		-	-	9,939	(8,550)	(1,389)	-	(9,939)	-
Equipment/apparatus	16,473		-	-	16,473	(3,304)	(3,304)	-	(6,607)	9,866
Equipment/apparatus	975,514	288,495	-	-	1,264,010	(151,777)	(204,199)	-	(355,976)	908,034
Electrical equipment	14,832,790	11,168,748	4,089,110	-	30,090,648	(3,449,981)	(779,023)	-	(4,229,004)	25,861,644
Laboratory equipment	41,921	15,867	-	-	57,788	(21,131)	(6,985)	-	(28,116)	29,672
Milling equipment	-		-	-	-	-		-	-	-
Radio equipment	174,746	131,664	-	-	306,411	(26,342)	(38,394)	-	(64,736)	241,675
Telecommunications	696,192	51,665	-	-	747,857	(594,555)	(31,781)	-	(626,336)	121,522
Feeders	-		-	-	-	-		-	-	-
Fire equipment	502,389	136,842	-	-	639,230	(312,331)	(20,950)	-	(333,281)	305,950
Firearms	173,684		-	-	173,684	(44,851)	(34,832)	-	(79,683)	94,001
Generator	694,970		-	-	694,970	(396,035)	(114,022)	-	(510,057)	184,912
General plant	14,200		-	-	14,200	(14,200)		-	(14,200)	-
Household refuse	3,483,632	491,913	-	-	3,975,545	(1,522,421)	(592,766)	-	(2,115,187)	1,860,358
Fire hoses	-	17,920	-	-	17,920	-	(1,532)	-	(1,532)	16,388
Housing schemes	941,501	2,436,558	17,813,985	-	21,192,045	(86)	(6,962)	-	(7,049)	21,184,996
Hoist - refuse	3,102,376		-	-	3,102,376	(833,598)	(613,652)	-	(1,447,251)	1,655,126
Irrigation system	70,209	606,632	-	-	676,841	(12,634)	(19,981)	-	(32,615)	644,226
Emergency light	86,265	3,490	-	-	89,755	(82,318)	(1,078)	-	(83,396)	6,359
Loader - front	-		-	-	-	-		-	-	-

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Miscellaneous furniture	2,951,654	944,750	80,440	-	3,976,844	(1,241,388)	(357,728)	-	(1,599,116)	2,377,727
Mixer - concrete	-	-	-	-	-	-	-	-	-	-
Office building	187,620	78,790	-	-	266,410	(779)	(6,613)	-	(7,392)	259,018
Office machines	14,492,790	4,816	-	-	14,497,606	(7,967,947)	(2,078,790)	-	(10,046,737)	4,450,869
Other land	-	-	-	-	-	-	-	-	-	-
Pipelines	16,791,661	7,334,938	-	-	24,126,599	(56,357)	(426,253)	-	(482,611)	23,643,988
Plant and Equipment	5,913,915	349,052	-	-	6,262,967	(5,670,555)	(434,242)	-	(6,104,797)	158,170
Pulverising mills	-	-	-	-	-	-	-	-	-	-
Pumps	106,908	11,928	-	-	118,836	(3,977)	(22,087)	-	(26,065)	92,772
Roller - pavement	1,635,494	-	-	-	1,635,494	(1,079,837)	(245,634)	-	(1,325,471)	310,023
Roller - water	-	-	-	-	-	-	-	-	-	-
Tables/desks	2,521,524	76,981	-	-	2,598,505	(1,637,492)	(379,980)	-	(2,017,471)	581,033
Telecommunication	3,321,950	11,545	-	-	3,333,495	(2,756,163)	(282,305)	-	(3,038,469)	295,026
Tipper	130,347	-	-	-	130,347	(104,349)	(8,714)	-	(113,063)	17,284
Tip sites	10,180,508	3,146,143	13,503,198	919,495	27,749,344	(103,233)	(349,986)	-	(453,219)	27,296,125
Tools	292,746	63,714	-	-	356,460	(132,364)	(48,970)	-	(181,334)	175,126
Trailers	207,152	-	-	-	207,152	(63,161)	(30,724)	-	(93,885)	113,266
Vehicles	8,668,871	1,270,787	-	-	9,939,658	(5,524,103)	(554,605)	-	(6,078,708)	3,860,950
Buses	-	-	-	-	-	-	-	-	-	-
Compressors	9,970	-	-	-	9,970	(9,970)	-	-	(9,970)	-
Compactor truck	5,015,613	-	-	-	5,015,613	(1,217,595)	(815,378)	-	(2,032,972)	2,982,641
Motor cycles	-	-	-	-	-	-	-	-	-	-
Fire engines	-	1,010,583	-	-	1,010,583	-	(1,910)	-	(1,910)	1,008,673
Farm equipment	-	-	-	-	-	-	-	-	-	-
Graders	-	-	-	-	-	-	-	-	-	-
Lawnmowers	174,899	-	-	-	174,899	(102,231)	(52,907)	-	(155,138)	19,761
Vehicle monitor	-	-	-	-	-	-	-	-	-	-
Roller - mechanical	251,680	-	-	-	251,680	(111,601)	(32,184)	-	(143,785)	107,895
Pound vehicles	-	-	-	-	-	-	-	-	-	-
Road maintenance	-	-	-	-	-	-	-	-	-	-
Street sweeper	1,401,700	-	-	-	1,401,700	(156,682)	(281,108)	-	(437,790)	963,910
Trucks/bakkies	31,447,723	2,495,372	-	199,072	34,142,167	(14,747,588)	(2,315,042)	7,084,297	(9,978,332)	24,163,835
Tractors	337,000	-	-	-	337,000	(22,832)	(33,792)	-	(56,624)	280,376
Workshop/Depots	-	18,661	-	-	18,661	-	(2)	-	(2)	18,659
	145,276,017	39,964,266	35,987,312	1,118,567	222,346,163	(57,784,997)	(13,401,196)	7,084,297	(64,101,896)	158,244,267
HERTAGE										
Library Books	143,945	-	-	-	143,945	-	-	-	-	143,945
	143,945	-	-	-	143,945	-	-	-	-	143,945
	3,062,498,887	100,685,191	82,912,133	35,728,182	3,281,824,393	(460,671,219)	(96,529,542)	(3,337,573)	(560,544,988)	2,721,093,643

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Opening Balance	Additions	Cost /Revaluation Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
INTANGIBLE ASSETS										
Housing Database	199,071	-			199,071	(6,654)	(6,654)		(13,308)	185,763
	199,071	-	-	-	199,071	(6,654)	(6,654)	-	(13,308)	185,763

Investment Property

Investment Buildings	38,250,000	-			38,250,000	-				38,250,000
Investment Property	485,075,000	-	-	5,455,075	490,530,075	-	-	-	-	490,530,075
	523,325,000	-	-	5,455,075	528,780,075	-	-	-	-	528,780,075

Non Current Assets Held for Sale

Non current assets held for sale	65,000	-	-	(55,905)	9,095	-	-	-	-	9,095
	65,000	-	-	(55,905)	9,095	-	-	-	-	9,095

3,585,888,887	100,685,191	82,912,133	41,127,352	3,810,613,563	(460,671,219)	(96,536,196)	(3,337,573)	(560,544,988)	3,250,068,576
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*** Note - Additions as per Appendix B**

Additions	100,685,191
Under Construction	82,912,133
	183,597,324

*** Note - Additions consist of the following**

Capital Expenditure	172,917,312
Donated Assets	10,680,013
	183,597,325

Stellenbosch Municipality

Appendix C for the year ended 30 June 2012

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost / Revaluation Under Construction						Accumulated Depreciation / Impairment					Carrying Value R
	Opening Balance R	Additions R	Under Construction R	Transfers R	Movements R	Closing Balance R	Opening Balance R	Movements R	Revaluation Reversal R	Movements R	Closing Balance R	
Executive and Council	15,836,724	14,842	-	-	-	15,851,566	(7,264,373)	(646,635)	-	-	(7,911,008)	7,940,558
Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Manager	1,208,921	14,842	-	-	-	1,223,763	(489,706)	(155,904)	-	-	(645,610)	578,153
Council General	11,849,335	-	-	-	-	11,849,335	(6,204,932)	(304,437)	-	-	(6,509,369)	5,339,967
Integrated Development Plan	1,048,960	-	-	-	-	1,048,960	(194,386)	(37,479)	-	-	(231,864)	817,096
Strategic Services General	1,729,508	-	-	-	-	1,729,508	(375,349)	(148,816)	-	-	(524,165)	1,205,343
Finance and Administration	25,463,360	1,746,554	-	-	-	27,209,913	(12,367,503)	(3,147,128)	-	-	(15,514,631)	11,695,282
Finance & Administration	6,418,704	58,160	-	-	-	6,476,864	(5,204,141)	(362,734)	-	-	(5,566,875)	909,989
Stores	201,702	-	-	-	-	201,702	(131,787)	(18,890)	-	-	(150,678)	51,024
IT Section	3,501,773	1,678,422	-	-	-	5,180,196	(830,882)	(952,656)	-	-	(1,783,538)	3,396,657
Personnel Services	1,019,149	9,971	-	-	-	1,029,120	(335,609)	(174,478)	-	-	(510,087)	519,033
Corporate Services General	-	-	-	-	-	-	-	-	-	-	-	-
Liaison Services	7,827,272	-	-	-	-	7,827,272	(3,731,439)	(1,249,077)	-	-	(4,980,516)	2,846,756
Printing Section	217,763	-	-	-	-	217,763	(112,464)	(32,299)	-	-	(144,762)	73,001
Administration Stellenbosch	5,153,277	-	-	-	-	5,153,277	(1,622,215)	(293,081)	-	-	(1,915,296)	3,237,981
Administration Franschhoek	1,123,720	-	-	-	-	1,123,720	(398,966)	(63,913)	-	-	(462,879)	660,841
						-					-	-
Planning and Development	69,215,047	92,382	755	-	-	69,308,184	(15,313,670)	(1,641,722)	-	-	(16,955,392)	52,352,792
Planning & Development	8,260,765	92,382	755	-	-	8,353,902	(856,047)	(755,086)	-	-	(1,711,133)	6,642,769
Town Planning	2,289,021	-	-	-	-	2,289,021	(1,277,179)	(283,843)	-	-	(1,561,022)	727,999
Town Development	57,266,341	-	-	-	-	57,266,341	(12,496,992)	(514,031)	-	-	(13,011,023)	44,255,318
Building Control	629,921	-	-	-	-	629,921	(572,672)	(35,114)	-	-	(607,786)	22,136
Property Management	768,998	-	-	-	-	768,998	(10,780)	(53,648)	-	-	(64,428)	704,570
						-					-	-
Health	15,385,827	100,620	-	-	-	15,486,447	(4,371,755)	(229,954)	-	-	(4,601,709)	10,884,738
Health General	8,135,368	-	-	-	-	8,135,368	(3,298,649)	-	-	-	(3,298,649)	4,836,720
Aan-het-pad Clinic	139,595	-	-	-	-	139,595	(30,000)	-	-	-	(30,000)	109,594
Kayamandi Clinic	1,048,598	-	-	-	-	1,048,598	(213,918)	(19,289)	-	-	(233,208)	815,390
Victoria Street Clinic	233,484	-	-	-	-	233,484	(84,963)	-	-	-	(84,963)	148,520
Kylemore Clinic	-	-	-	-	-	-	-	-	-	-	-	-
Klapmuts Clinic	709,527	-	-	-	-	709,527	185,459	-	-	-	185,459	894,986
Stellenbosch Cemetery	5,102,660	100,620	-	-	-	5,203,280	(913,884)	(209,869)	-	-	(1,123,753)	4,079,527
Franschhoek Cemetery	16,595	-	-	-	-	16,595	(15,799)	(796)	-	-	(16,595)	-
						-					-	-
Community and Social Services	3,778,750	1,106,188	-	-	-	4,884,938	(1,458,287)	(598,373)	-	-	(2,056,660)	2,828,278
Director Community	1,321,101	86,314	-	-	-	1,407,416	(188,207)	(264,507)	-	-	(452,714)	954,702
Director Social Services	83,050	-	-	-	-	83,050	(45,519)	(14,516)	-	-	(60,036)	23,015
Rhenish Complex	118,499	-	-	-	-	118,499	(27,575)	-	-	-	(27,575)	90,924
Plein Street Library	1,407,743	352,216	-	-	-	1,759,959	(705,822)	(155,367)	-	-	(861,189)	898,770
Idas Valley Library	203,914	7,466	-	-	-	211,379	(90,841)	(17,234)	-	-	(108,075)	103,304
Cloetesville Library	149,741	600,729	-	-	-	750,470	(79,934)	(73,711)	-	-	(153,645)	596,825
Kayamandi Library	120,232	2,514	-	-	-	122,747	(83,504)	(19,266)	-	-	(102,770)	19,977
Pniel Library	81,954	18,938	-	-	-	100,892	(54,103)	(11,105)	-	-	(65,208)	35,684
Franschhoek Library	292,516	38,011	-	-	-	330,527	(182,783)	(42,667)	-	-	(225,449)	105,078

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost / Revaluation Under Construction						Accumulated Depreciation / Impairment					Carrying Value R
	Opening Balance R	Additions R	Under Construction R	Transfers R	Movements R	Closing Balance R	Opening Balance R	Movements R	Revaluation Reversal R	Movements R	Closing Balance R	
Social & Human Development						-					-	-
Special Fund: Dilbeek						-					-	-
Housing	38,438,583	799,000	18,612,985	-	-	57,850,568	(14,170,326)	(775,914)	-	-	(14,946,240)	42,904,328
Flats	113,834			-	-	113,834	(33,834)	(13,370)	-	-	(47,204)	66,630
Housing General	30,953,634	799,000	18,612,985	-	-	50,365,619	(13,252,726)	(280,050)	-	-	(13,532,776)	36,832,843
Housing Special Projects	7,371,115			-	-	7,371,115	(883,766)	(482,495)	-	-	(1,366,260)	6,004,854
Public Safety	52,247,573	1,385,190	279,705	-	-	53,912,468	(18,265,167)	(2,957,996)	-	-	(21,223,162)	32,689,306
Director Public Safety	1,732,264	32,991		-	-	1,765,255	(269,550)	(299,063)	-	-	(568,613)	1,196,642
Fire Services	9,378,553	1,092,697	279,705	-	-	10,750,955	(6,116,638)	(390,356)	-	-	(6,506,994)	4,243,961
Disaster Management	3,190,855			-	-	3,190,855	(1,921,567)	(251,233)	-	-	(2,172,800)	1,018,055
Security	23,519,748	34,469		-	-	23,554,217	(4,682,487)	(1,311,572)	-	-	(5,994,059)	17,560,158
Town Hall Plein Street	674,964	49,964		-	-	724,929	(571,781)	(35,094)	-	-	(606,875)	118,054
Eikestad Hall	90,242			-	-	90,242	(66,427)	(9,243)	-	-	(75,670)	14,572
Community Hall Pniel	23,175			-	-	23,175	(18,157)	(4,054)	-	-	(22,211)	964
Community Centre Groendal	77,801			-	-	77,801	(57,573)	(12,882)	-	-	(70,455)	7,346
Town Hall Franschhoek	336,621			-	-	336,621	(121,576)	(11,210)	-	-	(132,786)	203,834
Licencing	791,606			-	-	791,606	(644,487)	(72,641)	-	-	(717,128)	74,479
Traffic Control	11,784,288	175,068		-	-	11,959,356	(3,793,267)	(560,634)	-	-	(4,353,901)	7,605,455
Parking Areas	647,456			-	-	647,456	(1,656)	(14)	-	-	(1,670)	645,786
Sport and Recreation	73,725,139	3,019,044	80,440	-	-	76,824,623	(15,845,329)	(2,937,020)	-	-	(18,782,350)	58,042,273
Environment & Recreation	248,878	5,800	-	-	-	254,678	(192,959)	(17,223)	-	-	(210,182)	44,496
Workshop	270,177			-	-	270,177	(261,523)	(5,371)	-	-	(266,894)	3,283
Parks Stellenbosch	13,709,667	1,873,579	80,440	-	-	15,663,686	(6,677,652)	(667,869)	-	-	(7,345,521)	8,318,165
Parks Franschhoek	2,128,693			-	-	2,128,693	(577,126)	(29,426)	-	-	(606,552)	1,522,141
Street Trees	401,829			-	-	401,829	(100,047)	(33,623)	-	-	(133,671)	268,158
Street Beautification	1,309,975	714,655		-	-	2,024,630	(78,228)	(118,819)	-	-	(197,047)	1,827,583
Nursery	1,110,135			-	-	1,110,135	(512,519)	(9,232)	-	-	(521,751)	588,384
Commonage & Plantations		82,350		-	-	82,350		(13,182)	-	-	(13,182)	69,168
Jan Marias Nature Reserve	540,140			-	-	540,140	(155,022)	(38,804)	-	-	(193,825)	346,314
Jonkershoek Picnic Site	332,723	13,156		-	-	345,879	(64,670)	(42,660)	-	-	(107,330)	238,549
Van der Stel Sport	43,840,716	185,230		-	-	44,025,946	(4,084,334)	(1,646,222)	-	-	(5,730,556)	38,295,390
Idas Valley Sport	460,652	-		-	-	460,652	(130,780)	(20,502)	-	-	(151,282)	309,370
Cloeteville Sport	603,954			-	-	603,954	(494,367)	(5,855)	-	-	(500,223)	103,731
Swimming Pool Cloeteville	271,732			-	-	271,732	(100,959)	(2,970)	-	-	(103,929)	167,803
Kayamandi Sport	1,923,669			-	-	1,923,669	(247,273)	(16,360)	-	-	(263,633)	1,660,036
Kylemore Sport	1,707,385			-	-	1,707,385	(242,919)	(143,784)	-	-	(386,704)	1,320,681
Klapmuts Sport	1,336,522			-	-	1,336,522	(617,741)	(7,469)	-	-	(625,210)	711,312
Jamestown Sport	1,206,964	144,274		-	-	1,351,238	(515,189)	(42,439)	-	-	(557,628)	793,610
Pniel Sport	692,551			-	-	692,551	(331,791)	(43,705)	-	-	(375,496)	317,055
Groendal Sport	10,978	-		-	-	10,978	(10,218)	(15,907)	-	-	(26,125)	(15,147)
Raithby Sport	1,617,798			-	-	1,617,798	(450,011)	(15,598)	-	-	(465,608)	1,152,190

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost / Revaluation Under Construction						Accumulated Depreciation / Impairment					Carrying Value R
	Opening Balance R	Additions R	Under Construction R	Transfers R	Movements R	Closing Balance R	Opening Balance R	Movements R	Revaluation Reversal R	Movements R	Closing Balance R	
Environmental Protection	313,057,542	2,353,347	49,687,990	-	-	365,098,879	(86,830,307)	(12,353,073)	-	-	(99,183,380)	265,915,499
Market	46,862,994			-	-	46,862,994	(6,702,321)		-	-	(6,702,321)	40,160,674
Refuse Removal	37,804,517	1,663,200	13,503,198	-	-	52,970,915	(10,399,836)	(3,469,181)		-	(13,869,016)	39,101,899
Dumping Site	1,093,983			-	-	1,093,983	(259,326)	(41,367)		-	(300,693)	793,290
Cleaning of Streets	4,047,300			-	-	4,047,300	(673,427)	(702,964)		-	(1,376,391)	2,670,910
Public Facilities	14,566,695			-	-	14,566,695	(6,447,208)			-	(6,447,208)	8,119,487
Sewerage Purification Stellenbosch	78,620,865			-	-	78,620,865	(26,221,808)	(4,012,574)			(30,234,382)	48,386,483
Sewer Network	121,862,565	690,147	36,184,792	-	-	158,737,505	(33,682,760)	(3,879,169)		-	(37,561,930)	121,175,575
Composting	3,116,550			-	-	3,116,550	(1,753,385)	(105,005)		-	(1,858,391)	1,258,159
Sewerage Purification Franschoek	4,938,867			-	-	4,938,867	(571,707)	(138,371)		-	(710,078)	4,228,789
Sewerage Purification Pniel	143,205			-	-	143,205	(118,529)	(4,443)		-	(122,972)	20,233
Roads and Transport	983,104,095	8,501,802	4,781,247	-	36,004,506	1,032,391,650	(122,827,940)	(33,827,814)	(3,344,225)	-	(159,999,979)	872,391,670
Municipal Buildings	198,181,718	1,199,372	1,359,326	-	36,004,506	236,744,921	(2,972,728)	(271,714)	(3,344,225)	-	(6,588,667)	230,156,254
Engineering Services General	1,364,021	465,426				1,829,447	(365,310)	(167,471)		-	(532,781)	1,296,666
Workshop	1,650					1,650	(1,483)	(167)		-	(1,650)	-
Roads	699,950,183	5,610,623	3,421,921			708,982,727	(105,242,272)	(29,321,337)		-	(134,563,609)	574,419,118
Sidewalks	39,966,272	1,043,806				41,010,078	(6,966,545)	(2,602,006)		-	(9,568,552)	31,441,526
Stormwater	43,640,251	182,575				43,822,827	(7,279,601)	(1,465,120)		-	(8,744,721)	35,078,106
Water	382,494,424	35,835,646	5,379,903	-	2,564,750	426,274,722	(119,926,258)	(13,339,982)	-	-	(133,266,240)	293,008,482
Water Network	289,858,041	35,835,646	3,703,477	-	2,564,750	331,961,914	(89,813,512)	(9,377,286)		-	(99,190,798)	232,771,116
Reservoirs & Supply Lines	72,911,867	-	1,676,426			74,588,293	(14,137,658)	(3,610,581)		-	(17,748,238)	56,840,054
Purification Idas Valley	15,078,746					15,078,746	(14,426,088)	(9,330)		-	(14,435,418)	643,328
Purification Paradyskloof	2,320,980					2,320,980	(1,372,416)	(239,445)		-	(1,611,862)	709,118
Purification Franschoek	2,324,790					2,324,789	(176,585)	(103,340)		-	(279,925)	2,044,864
						-					-	-
Electricity	1,613,141,822	45,730,576	4,089,110	-	2,564,749	1,665,526,257	(42,030,304)	(24,080,584)	-		(66,110,888)	1,599,415,370
Electricity	1,613,141,822	45,730,576	4,089,110		2,564,749	1,665,526,257	(42,030,304)	(24,080,584)		-	(66,110,888)	1,599,415,370
						-					-	-
Total	3,585,888,887	100,685,191	82,912,134	-	41,134,005	3,810,620,215	(460,671,219)	(96,536,196)	(3,344,225)	-	(560,551,640)	3,250,068,576

* Note - Additions as per Appendix C

Additions
Under Construction

100,685,191
82,912,134
183,597,325

* Note - Additions consist of the following

Capital Expenditure
Donated Assets

172,917,312
10,680,013
183,597,325

STELLENBOSCH MUNICIPALITY

Appendix D for the year ended 30 June 201 2

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012											
2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R	Description	Vote Number	2012 Actual Income R	2012 Budgeted Income R	2012 Actual Expenditure R	2012 Budgeted Expenditure R	2012 Surplus/ (Deficit) R
-	-	2,080,536	3,914,100	(2,080,536)	Municipal Manager	1100	-	-	1,542,944	1,237,220	(1,542,944)
-	-	1,769,654	3,116,271	(1,769,654)	Internal Audit	1105	-	-	1,104,442	3,072,131	(1,104,442)
-	-	1,661,597	3,188,251	(1,661,597)	Liaison Executive	1111	-	-	2,029,572	4,123,280	(2,029,572)
-	-	-	-	-	Policy and Research	1115	-	-	-	-	-
-	-	-	-	-	Soccer World Cup 2010	1110	-	-	-	-	-
-	-	2,357,053	2,371,969	(2,357,053)	Secretariate and Administration	7710	-	-	2,476,938	2,618,368	(2,476,938)
694	-	10,477,952	5,439,738	(10,477,258)	Legal Services	7720	149,394	800	11,569,378	10,802,166	(11,419,984)
694	-	18,346,792	18,030,329	(18,346,098)	MUNICIPAL MANAGER		149,394	800	18,723,274	21,853,165	(18,573,880)
-	-	-	-	-			-	-	-	-	-
1,686,498	-	4,727,477	2,957,687	(3,040,978)	Planning and Development	2200	-	-	4,185,439	2,874,336	(4,185,439)
3,828,423	2,799,251	6,071,717	5,778,915	(2,243,294)	Building Control	2205	3,161,912	2,720,512	5,922,593	5,547,370	(2,760,682)
152,122	161,310	4,511,380	4,999,276	(4,359,258)	Town Planning	2210	196,076	161,310	4,858,201	5,265,220	(4,662,125)
-	-	584,794	2,581,960	(584,794)	Town Development	2230	-	-	514,031	2,634,690	(514,031)
23,151	-	477,517	1,231,356	(454,366)	Property Management	2235	2,499,856	4,562,625	1,665,652	1,199,926	834,204
20,388,194	20,586,885	21,121,257	23,091,495	(733,063)	Integrated Human Settlements	3780	19,419,372	22,308,578	4,432,344	10,126,571	14,987,028
-	-	3,080,530	3,957,372	(3,080,530)	New Housing	3783	-	-	3,610,484	-	(3,610,484)
-	-	1,927,088	500,310	(1,927,088)	Housing Special Projects	3784	-	-	1,337,240	-	(1,337,240)
3,607,773	3,360,776	7,273,547	6,763,854	(3,665,774)	Housing Administration	3781	3,915,835	3,586,344	7,719,115	7,065,454	(3,803,280)
801,088	805,240	832,965	805,240	(31,877)	Maintenance: Scheme Houses	3577	1,212,774	828,030	1,213,975	1,198,030	(1,201)
-	-	13,581,975	13,489,288	(13,581,975)	Municipal Buildings	6220	-	-	9,846,859	15,160,959	(9,846,859)
-	-	931,795	678,690	(931,795)	Administration Stellenbosch	7805	-	-	640,781	889,930	(640,781)
-	-	216,910	115,471	(216,910)	Administration Franschhoek	7806	-	-	121,588	167,290	(121,588)
4,587,902	5,042,107	1,302,037	5,329,680	3,285,865	Housing Schemes	Various	4,847,523	5,373,798	307,102	8,265,270	4,540,421
41,749	-	41,749	-	-	Growth Management Strategy	9914	-	-	-	-	-
-	55,161	-	55,161	-	Special Fund Housing Consumers	9922	-	68,010	-	68,010	-
-	-	-	-	-	Project Management Unit	9917	-	-	-	-	-
35,116,901	32,810,730	66,682,737	72,335,755	(31,565,837)	PLANNING & DEVELOPMENT SERVICES		35,253,348	39,609,207	46,375,406	60,463,056	(11,122,058)
74,240	-	325,971	422,660	(251,731)	Community Services General	3111	-	-	1,065,273	2,852,463	(1,065,273)
-	-	2,300,652	2,063,124	(2,300,652)	Community Services Director	3112	-	-	1,363,878	-	(1,363,878)
-	-	1,632,798	2,122,206	(1,632,798)	Social and Human Development	3113	-	-	2,918,606	2,305,095	(2,918,606)
-	-	35,867	42,740	(35,867)	Stellenbosch Youth Council	3114	-	-	28,340	42,740	(28,340)
-	-	1,903,880	1,893,335	(1,903,880)	Forestry, Parks & Recreation	3300	-	-	2,275,404	2,051,161	(2,275,404)
-	-	407,522	360,686	(407,522)	Workshop	3301	-	-	579,049	396,400	(579,049)
49,018	16,283	8,417,018	6,851,269	(8,368,000)	Parks & Sidewalks Stellenbosch	3305	14,930	506,845	7,230,277	7,670,732	(7,215,347)
-	375,830	2,240,410	2,210,033	(2,240,410)	Parks & Sidewalks Franschhoek	3306	-	375,830	1,974,589	2,388,393	(1,974,589)
-	-	1,627,155	1,505,981	(1,627,155)	Street Trees	3310	-	-	1,833,549	1,621,492	(1,833,549)
-	-	2,044,220	1,798,883	(2,044,220)	Street Beautification	3311	-	-	2,350,621	1,997,046	(2,350,621)
-	-	772,460	836,851	(772,460)	Nursery	3315	-	-	819,332	889,631	(819,332)
1,472,950	3,375,715	2,333,843	1,660,524	(860,893)	Commonage & Plantations	3320	69,240	-	2,307,690	1,741,846	(2,238,450)
11,244	1,620	617,638	448,555	(606,394)	Jan Marais Nature Reserve	3325	11,105	2,293	709,057	493,892	(697,952)
217,328	30,716	177,838	145,564	39,490	Jonkershoek Picnic Site	3330	268,283	145,762	203,430	166,420	64,853
-	-	2,524	2,990	(2,524)	Dwarsrivier Picnic Site	3331	-	-	2,045	2,990	(2,045)
894,432	-	3,191,936	3,329,098	(2,297,503)	Van der Stel Sport	3340	989,950	-	3,438,961	3,520,006	(2,449,011)
193,445	-	878,238	253,093	(684,793)	Idas Valley Sport	3341	-	-	659,734	248,394	(659,734)
91,041	10,630	724,214	306,746	(633,173)	Cloetessville Sport	3342	-	10,500	958,919	436,173	(958,919)
-	-	13,345	20,350	(13,345)	Golf Club	3343	-	-	274,766	17,159	(274,766)
38,226	37,349	803,179	770,685	(764,953)	Swimming Pool Cloetessville	3344	27,607	35,757	857,705	805,004	(830,098)
195	-	318,856	164,292	(318,661)	Kayamandi Sport	3345	-	-	337,687	224,475	(337,687)
104,141	-	499,929	348,779	(395,788)	Kylemore Sport	3346	-	-	450,076	339,307	(450,076)
195	-	205,651	160,338	(205,456)	Klapmuts Sport	3347	185,760	-	191,871	129,832	(6,111)
195	-	264,580	225,850	(264,385)	Jamestown Sport	3348	-	-	254,774	201,170	(254,774)
195	-	1,160,653	765,682	(1,160,458)	Pniel Sport	3349	-	-	1,163,900	840,480	(1,163,900)
370	-	74,317	51,388	(73,947)	Groendal Sport	3350	300,000	-	84,872	16,487	215,128
30,315	-	355,485	220,173	(325,169)	Raithby Sport	3351	-	-	265,049	214,586	(265,049)
14,279	-	14,177	20,000	102	Health General	3500	-	-	-	-	-
-	-	29,512	40,319	(29,512)	Aan-het-pad Clinic	3505	-	-	25,692	6,810	(25,692)
-	-	49,137	-	(49,137)	Poli Clinic	3506	-	-	8,396	-	(8,396)
-	-	19,237	60,258	(19,237)	Kayamandi Clinic	3507	-	-	19,289	43,380	(19,289)
-	-	-	10,690	-	Victoria Street Clinic	3508	-	-	-	10,910	-

STELLENBOSCH MUNICIPALITY

Appendix D for the year ended 30 June 201 2

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012											
2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R	Description	Vote Number	2012 Actual Income R	2012 Budgeted Income R	2012 Actual Expenditure R	2012 Budgeted Expenditure R	2012 Surplus/ (Deficit) R
-	-	-	-	-	Family Planning	3509	-	-	-	-	-
-	-	-	-	-	Kylemore Clinic	3510	-	-	-	-	-
-	-	27,534	125,692	(27,534)	Klapmuts Clinic	3511	-	-	-	35,300	-
-	-	-	46,170	-	Don & Pat Bilton Clinic	3512	-	-	-	47,100	-
-	-	-	-	-	Aids Clinic	3516	-	-	-	-	-
-	-	-	-	-	TB Clinic	3517	-	-	-	-	-
-	-	126,494	86,448	(126,494)	Groendal Clinic	3518	-	-	85,918	-	(85,918)
-	-	3,183	10,520	(3,183)	Pest Control	3520	-	-	354	620	(354)
653,341	506,054	1,443,735	1,193,410	(790,395)	Stellenbosch Cemetery	3545	602,190	612,732	1,479,954	1,273,019	(877,765)
-	-	95,504	95,394	(95,504)	Pniel Cemetery	3546	-	-	90,001	102,280	(90,001)
53,960	85,030	464,457	493,816	(410,496)	Franschhoek Cemetery	3547	48,017	78,688	518,489	530,220	(470,471)
-	-	193,702	290,516	(193,702)	Rhenish Complex	3742	-	-	333,990	282,340	(333,990)
17,451	16,358	97,700	11,326	(80,249)	Voorleggen	3743	19,599	17,173	61,126	36,120	(41,527)
113,831	14,395	3,472,071	3,656,119	(3,358,240)	Plein Street Library	3750	126,353	134,336	3,196,698	3,875,618	(3,070,345)
21,946	16,985	738,875	737,615	(716,929)	Idas Valley Library	3751	20,081	23,355	794,627	787,823	(774,546)
19,498	20,992	803,601	766,957	(784,102)	Cloetesville Library	3752	27,910	24,491	873,339	824,234	(845,429)
7,387	2,447	491,352	475,080	(483,965)	Kayamandi Library	3753	10,271	2,541	811,221	510,221	(800,950)
7,884	4,466	604,331	591,739	(596,447)	Pniel Library	3754	11,174	5,149	653,055	637,266	(641,881)
18,434	18,635	744,835	710,469	(726,401)	Franschhoek Library	3755	16,350	20,501	790,111	749,135	(773,761)
-	-	4,528	810	(4,528)	Groendal Library	3756	-	-	1,329	830	(1,329)
272,659	253,574	1,683,679	1,366,353	(1,411,020)	Town Hall Plein Street	5740	226,447	210,473	1,646,090	1,490,771	(1,419,643)
35,596	25,089	353,464	282,015	(317,867)	Eikestad Hall	5741	36,740	24,042	391,132	295,990	(354,392)
2,285	2,020	35,969	101,606	(33,684)	Community Centre Kayamandi	5744	-	2,150	56,227	122,100	(56,227)
-	11,240	-	-	-	Administration Hall Kayamandi	5745	-	11,920	-	-	-
14,220	15,788	31,735	23,481	(17,515)	Admin Buildings & Hall Pniel	5746	21,862	17,219	11,693	24,740	10,169
28,327	33,753	315,316	286,009	(286,989)	Community Centre Groendal	5747	26,612	28,481	344,477	306,880	(317,865)
-	-	14,107	-	(14,107)	Community Hall Groendal	5748	-	-	12,882	-	(12,882)
40,621	67,505	15,066	48,430	25,555	Town Hall Franschhoek	5749	43,055	61,073	11,717	50,750	31,338
3,046	16,860	3,422	18,060	(376)	Community Hall : Kylemore	5750	6,525	5,250	5,863	19,000	663
10,605	18,689	4,980	21,948	5,626	Community Hall: LA Motte	5751	3,597	14,337	7,951	24,180	(4,354)
10,202	16,860	3,594	21,982	6,607	Community Hall: Wemmershoek	5752	6,105	10,010	-	24,220	6,105
-	-	5,561,140	5,532,779	(5,561,140)	Cleaning of Streets	6540	-	-	5,254,359	6,574,946	(5,254,359)
-	-	2,133,070	2,864,554	(2,133,070)	Public Participation	8116	-	-	800,256	2,228,835	(800,256)
953,899	1,128,489	953,899	1,128,489	-	Special Fund: Library Services	9913	901,169	1,316,108	944,242	1,316,108	(43,073)
85,326	141,250	85,326	141,260	-	Special Fund Dilbeek	9912	58,218	183,280	131,057	183,280	(72,839)
191,904	239,145	191,904	239,145	-	Special Fund CDW Support Grant	9919	125,179	125,241	125,179	125,241	-
5,754,232	6,503,767	54,140,812	50,481,334	(48,386,580)	COMMUNITY SERVICES		4,204,329	4,005,537	54,086,165	54,153,641	(49,881,835)
306,712,280	277,700,432	203,268,704	200,279,181	103,443,576	Electrical Engineering Services	4400	347,114,845	337,187,486	248,365,494	260,928,600	98,749,350
-	-	4,811,753	4,547,900	(4,811,753)	Electrical Engineering Client Services	4410	-	-	5,749,443	6,225,933	(5,749,443)
-	-	47,905,668	45,018,725	(47,905,668)	Electrical Engineering System Operations	4420	-	-	54,358,054	47,881,987	(54,358,054)
-	-	1,476,479	2,110,530	(1,476,479)	Public Facilities	6515	-	-	1,688,809	2,095,429	(1,688,809)
236,504	178,602	-	2,344,500	236,504	Market	6525	-	197,177	-	2,391,459	-
-	-	5,909,321	6,079,118	(5,909,321)	Civil Engineers General Services	6600	-	-	7,697,194	8,180,526	(7,697,194)
20,233,339	434,590	35,996,201	37,863,761	(15,762,863)	Roads	6620	15,105,996	13,755,035	41,436,167	40,136,801	(26,330,172)
-	-	4,095,883	3,981,057	(4,095,883)	Sidewalks & Cycle Paths	6621	2,399,800	2,284,811	4,211,294	4,255,626	(1,811,494)
-	-	7,485,183	6,966,224	(7,485,183)	Stormwater	6625	-	-	9,007,799	6,750,902	(9,007,799)
-	-	205,990	200,399	(205,990)	Workshop	6640	-	-	240,264	214,779	(240,264)
89,021,887	62,119,951	48,176,243	50,305,363	40,845,643	Water Network	6650	103,686,172	78,417,960	55,136,053	48,782,203	48,550,119
-	-	9,669,087	10,544,703	(9,669,087)	Reservoirs & Supply Lines	6651	-	-	10,794,877	10,668,530	(10,794,877)
-	-	3,527,284	3,464,141	(3,527,284)	Water Filtration Idas Valley	6652	-	-	4,034,726	3,907,703	(4,034,726)
-	-	2,593,012	3,987,446	(2,593,012)	Water Filtration Paradyskloof	6653	-	-	2,680,010	3,926,833	(2,680,010)
54,273	-	(24,763)	72,440	79,036	Reservoir & Filtration Franschhoek	6654	-	-	96,704	73,000	(96,704)
37,567,471	33,085,410	18,559,892	22,163,843	19,007,579	Refuse Removal	6530	41,328,704	33,121,341	21,571,461	22,977,981	19,757,243
586,111	691,953	3,965,539	2,820,815	(3,379,428)	Dumping Site	6535	2,171,068	650,920	6,712,148	2,692,900	(4,541,079)
-	4,082	1,702,588	1,738,770	(1,702,588)	Klapmuts Transfer Station	6536	4,050	2,477	1,609,872	1,621,270	(1,605,822)
54,279,715	52,382,700	18,395,086	24,589,373	35,884,629	Sewerage Purification Stellenbosch	6605	61,859,246	68,898,595	24,778,164	26,702,772	37,081,082
6,401,157	57,359	15,451,439	16,242,375	(9,050,282)	Sewerage Network	6606	17,233,710	7,769,332	18,752,653	18,277,781	(1,518,943)
58,490	20,426	1,298,937	1,605,546	(1,240,447)	Composting	6607	-	28,630	1,663,002	1,693,404	(1,663,002)
-	-	249,419	269,903	(249,419)	Sewerage Purification Klapmuts	6608	-	-	246,108	268,243	(246,108)
-	-	1,131,655	1,302,878	(1,131,655)	Sewerage Purification Franschhoek	6609	-	-	1,243,286	1,212,851	(1,243,286)

STELLENBOSCH MUNICIPALITY

Appendix D for the year ended 30 June 201 2

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012											
2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R	Description	Vote Number	2012 Actual Income R	2012 Budgeted Income R	2012 Actual Expenditure R	2012 Budgeted Expenditure R	2012 Surplus/ (Deficit) R
-	-	857,144	1,013,336	(857,144)	Sewerage Purification Pniel	6610	-	-	959,869	1,090,920	(959,869)
-	-	596,734	835,995	(596,734)	Sewerage Purification Rural	6611	-	-	647,837	913,891	(647,837)
515,151,227	426,675,505	437,304,479	450,348,322	77,846,748	Special Fund Asset Val (Red)		590,903,591	542,313,764	523,681,288	523,872,324	67,222,303
					ENGINEERING SERVICES						
-	-	3,752,141	4,362,523	(3,752,141)	Public Safety General	5111	-	-	4,407,632	4,956,595	(4,407,632)
48,401	13,970	16,698,180	16,192,996	(16,649,779)	Fire Services	5120	38,685	49,227	16,927,139	16,823,950	(16,888,453)
5,329,385	5,054,103	4,035,143	4,729,863	1,294,242	Traffic Services Licencing	5140	6,459,226	6,049,506	3,992,970	4,486,676	2,466,255
14,037,967	12,911,353	25,682,860	26,796,414	(11,644,894)	Traffic Control	5141	10,958,208	15,771,315	25,023,824	26,653,133	(14,065,616)
1,003,027	4,365,851	1,010,055	1,495,995	(7,029)	Parking Areas	5142	1,048,902	1,314,000	1,086,254	1,594,360	(37,351)
-	-	985,309	153,621	(985,309)	Disaster Management	5705	-	-	496,859	44,504	(496,859)
1,228	-	4,123,706	5,414,605	(4,122,478)	Security	5710	-	-	6,668,786	6,570,770	(6,668,786)
-	-	341,623	456,787	(341,623)	Occupational Safety	5715	-	-	58,279	491,160	(58,279)
181,886	-	181,886	-	-	Community Safety Projects: Contract Law	9923	500,000	500,000	500,000	500,000	-
20,601,894	22,345,277	56,810,903	59,602,804	(36,209,009)	PUBLIC SAFETY		19,005,021	23,684,048	59,161,742	62,121,148	(40,156,721)
-	-	534	12,840	(534)	Client Services and Innovations	5739	-	-	-	-	-
312,496	-	4,670,750	2,789,960	(4,358,255)	Corporate Services General	7111	313,489	-	4,600,489	3,140,246	(4,287,000)
-	-	3,559,083	4,161,191	(3,559,083)	Human Resources Services	7180	2,632	-	2,359,494	4,305,766	(2,356,862)
-	-	2,073,114	667,755	(2,073,114)	Documentation and Land Management	7700	-	-	1,646,212	894,808	(1,646,212)
-	-	23,501	512,400	(23,501)	Liaison Services	7770	-	-	99,210	451,998	(99,210)
-	-	233,453	24,446	(233,453)	Printing Section	7790	-	-	399,795	28,482	(399,795)
1,152,759	1,109,676	9,712,654	7,820,724	(8,559,896)	Council General Expenses	7800	242,884	312,443	28,041,168	24,295,743	(27,798,283)
-	-	145,604	22,990	(145,604)	Council Deputy Mayor's office	7801	-	-	12,591	22,990	(12,591)
10,969	-	3,950,271	4,852,060	(3,939,302)	Council Donations	7802	-	-	5,085,593	5,504,270	(5,085,593)
-	-	39,456	87,530	(39,456)	Council Speaker's Office	7803	-	-	62,608	287,603	(62,608)
-	-	1,118,766	1,167,309	(1,118,766)	Council Mayor's Office	7804	-	-	326,507	744,609	(326,507)
-	-	24,854	247,374	(24,854)	IDP & Strategic Programs	8110	-	-	280,099	488,750	(280,099)
-	-	960,568	623,672	(960,568)	Strategic Services: General	8115	-	-	608,332	625,664	(608,332)
-	-	673,014	235,760	(673,014)	Communication Services	8117	-	-	784,990	253,480	(784,990)
-	6,660	2,046,641	2,213,104	(2,046,641)	Local Economic Development	8120	-	-	2,241,797	2,692,700	(2,241,797)
69,995	-	848,493	1,052,709	(778,498)	Kayamandi Economic Tourism Coridor	8125	231,510	218,130	929,134	762,000	(697,624)
-	2,247,200	-	2,247,200	-	Special Fund Leave Gratification	9902	-	2,382,040	-	2,382,040	-
258,166	1,120,200	266,946	1,120,200	(8,780)	Special Fund LWGSETA Training	9909	504,405	1,220,427	504,405	1,220,427	-
-	-	-	-	-	Special Fund Leuven Study Grant	9915	-	-	-	-	-
-	-	-	-	-	NLDTF Bergzicht	9916	-	-	-	-	-
-	-	-	-	-	Council Unallocated	9803	-	-	-	-	-
1,804,384	4,483,736	30,347,702	29,859,224	(28,543,318)	CORPORATE SERVICES		1,294,920	4,133,040	47,982,422	48,101,576	(46,687,502)
210,955,830	190,706,300	55,848,255	23,060,149	155,107,575	Financial Services General	9900	222,095,950	205,767,592	30,047,421	24,089,620	192,048,529
-	-	2,804,664	3,418,237	(2,804,664)	Information Technology	9910	-	-	2,302,851	4,546,794	(2,302,851)
1,803	6,710	(782,822)	352,519	784,626	Stores	9920	-	7,120	(898,621)	400,121	898,621
142,184	134,741	60,312	67,550	81,872	Supply Chain Management Unit	9921	161,385	142,825	53,382	67,550	108,003
16,495,661	36,784,006	9,995,462	36,784,006	6,500,198	Special Fund Masakhane	3782	10,884,137	36,977,000	11,022,212	36,977,000	(138,076)
-	-	249,401	1,410,080	(249,401)	Special Fund Self-Insurance	9905	-	-	360,307	786,480	(360,307)
679,656	706,008	682,205	706,008	(2,549)	Special Fund Municipal Systems Improvements	9906	785,344	790,000	785,344	790,000	-
1,013,303	1,050,588	1,013,973	1,050,588	(670)	Special Fund Financial Management Grant	9911	1,236,697	1,250,000	1,262,193	1,250,000	(25,496)
229,288,437	229,388,353	69,871,449	66,849,137	159,416,988	FINANCIAL SERVICES		235,163,513	244,934,537	44,935,090	68,907,565	190,228,423
807,717,770	722,207,368	733,504,880	747,506,905	74,212,894	Sub - Total		885,974,117	858,680,933	794,945,387	839,472,475	91,028,730
-	-	3,317	-	(3,317)	Loss on disposal of Assets		-	-	-	-	-
4,795,074	-	-	-	4,795,074	Fair value adjustments		5,440,107	-	-	-	5,440,107
265,617	-	-	-	265,617	Gain on biological assets and agricultural produce		194,464	1,155,000	-	-	194,464
-	-	121,481	-	(121,481)	Inventories: (Write-down)/reversal of write-down to net realisable value		-	-	1,230	7,300	(1,230)
812,778,459	722,207,368	733,629,672	747,506,905	79,148,788	Surplus for the year		891,608,688	859,835,933	794,946,617	839,479,775	96,662,071

Stellenbosch Municipality

Appendix E (1) for the year ended 30 June 2012

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012 Actual R	2011/2012 Budget R	2011/2012 Variance R	2011/2012 Variance %	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	189,497,264	183,197,490	6,299,774	3.44%	
Service Charges	506,337,895	479,009,547	27,328,348	5.71%	
Property Rates - Penalties imposed and collection charges	2,918,845	3,478,086	(559,241)	-16.08%	Increased payment rate and arrangements made resulted in less penalties imposed.
Rental of Facilities and Equipment	11,537,204	13,235,695	(1,698,491)	-12.83%	Less income generated as envisaged.
Interest Earned - Outstanding debtors	4,035,042	3,568,508	466,534	13.07%	
Income for Agency Services	1,351,509	1,116,593	234,916	21.04%	Increase due to the amount of vehicles processed.
Fines	11,133,590	16,474,341	(5,340,751)	-32.42%	Less income realised due to reduction of fine amounts granted by the courts.
Licences and Permits	4,979,114	4,482,675	496,439	11.07%	Increase due to the amount of vehicles processed.
Government Grants and Subsidies	112,222,021	122,645,227	(10,423,206)	-8.50%	Underspending on grant allocations resulted in lower income recognition.
Other Income	18,469,448	12,880,967	5,588,481	43.39%	Inclusion of Own Revenue: VAT (MIG) as allowed. Investment portfolio grew more than anticipated due to rigorous cashflow management, therefore interest received was also more than anticipated.
Interest Received - Investments	23,492,185	18,591,804	4,900,381	26.36%	
Total Revenue	885,974,117	858,680,933	27,293,184		
EXPENDITURE					
Employee Related Costs	225,247,140	231,532,964	(6,285,824)	-2.71%	
Remuneration of Councillors	12,125,389	12,249,421	(124,032)	-1.01%	
Contributions to/(transfers from) Provisions	23,752,862	24,779,870	(1,027,008)	-4.14%	
Depreciation and Amortisation	96,536,196	111,680,710	(15,144,514)	-13.56%	Underspending as a result of the underspending on the capital budget.
Finance Cost	6,344,344	7,400,278	(1,055,934)	-14.27%	Underspending as a result of the underspending on the capital budget.
Debt Impairment	19,397,224	9,568,748	9,828,476	102.71%	Financial entires in accordance with accounting standards.
Collection Costs	650,739	742,870	(92,131)	-12.40%	Underspending due to amount of cases handed over to the service provider.
Repairs and Maintenance	48,621,325	58,069,362	(9,448,037)	-16.27%	Underspending due to increased capital investment in essential main infrastructure.
Bulk Purchases	216,533,944	223,269,362	(6,735,418)	-3.02%	Decrease in projected pre-paid sales impacted on bulk electricity purchases.
Contracted Services	8,890,928	10,087,576	(1,196,648)	-11.86%	Decreased spending due to streamlining of leases for office equipment.
Grants and Subsidies Paid	296,093	692,360	(396,267)	-57.23%	
General Expenses	136,549,203	149,398,954	(12,849,751)	-8.60%	
Total Expenditure	794,945,387	839,472,475	(44,527,088)		
Loss on disposal of assets and liabilities	-	-	-		
Profit / (loss) on fair value adjustment	5,440,107	1,155,000	4,285,107		
Gain (loss) on biological assets and agriculture produce	194,464	-	194,464		
Inventories: (Write-down) / reversal of write-down to net realisable value	(1,230)	(7,300)	6,070		
NET SURPLUS FOR THE YEAR ENDING 30 JUNE 2012	96,662,071	20,356,158	76,305,913		

Stellenbosch Municipality

Appendix E (2) for the year ended 30 June 2012

APPENDIX E(2) STELLENBOSCH MUNICIPALITY

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012 Actual	2011/2012 Under Construction	2011/2012 Total Additions	2011/2012 Budget	2011/2012 Variance	2011/2012 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council Budget and Treasury Office	14,842 875,321	- -	14,842 875,321	60,000 890,000	(45,158) (14,679)	- -2%	Underspending on various ward projects. Underspending on pj 09-2147 Structural maintenance & improvements: Historic Buildings due to certain envisaged activities that was classified as operational. Underspending on pj 09-2148 Mooiwater Youth Centre as project is on hold. The envisaged centre will be included in a larger project for the area.
Corporate Services	6,901,631	1,359,326	8,260,957	9,169,056	(908,099)	-10%	Underspending on pj 10-0002a Street Furniture (ward project) due to a similar project funded from the directorate's normal capital budget. Underspending on pj 04 0091 Cemeteries: Global due to delayed rezoning to obtain additional space for cemeteries. Underspending on pj 08-0178 Extensions of cemeteries infrastructure due to delayed rezoning to obtain additional space for cemeteries.
Community & Social Services	1,085,660	80,440	1,166,100	1,090,825	75,275	7%	
Sport & Recreation	5,912,579	-	5,912,579	5,969,851	(57,272)	-1%	
Public Safety	1,755,170	280,460	2,035,630	2,076,700	(41,070)	-2%	Underspending on pj 09-2137 Housing: Vlottenburg Longlands due to the non approval of the N6 funding application. Project is multi-year and linked to the PHB allocation of 2012/2013. Underspending on pj 09-0072 Upgrading of Services: Langrug as a result of slow implementation due to extended water monitoring and land surveying. Underspending on pj 09-2237 Basic Services: Insitu Upgrading due to the late authorisation of the MOU.
Housing	3,741,235	18,612,985	22,354,220	26,963,736	(4,609,516)	-17%	Underspending on pj 09-0063 Creation of Housing Demand Database as a result of software integration challenges outside of the control of the department.
Planning and Development	92,382	-	92,382	220,000	(127,618)	-58%	
Road Transport	24,481,980	3,421,921	27,903,901	27,676,082	227,819	1%	Underspending on pj 07-0144 Markotter - University 66kV cable due to a court case. This was resolved, settled out of court and the project will proceed in the new financial year.
Electricity	24,019,644	4,089,110	28,108,754	33,877,848	(5,769,094)	-17%	Underspending on pj 09-2238 Reservoir: Paradyskloof. Project is multi-year and linked to the external loan allocation of 2012/2013. Underspending on pj 09-0165 Reservoir. Project is multi-year and linked to the external loan allocation of 2012/2013. Both unspent portions will be rolled over as allowed in the MFMA.
Water	10,133,801	5,379,903	15,513,703	17,416,593	(1,902,890)	-11%	Underspending on pj 09-0173 Upgrade Waste Water Treatment Works Wemmershoek due to a delay in the appointment of contractors as a result of alternative proposals regarding in escalation and appeal from tenderer.
Waste Water Management	5,674,663	36,184,792	41,859,455	63,000,036	(21,140,581)	-34%	Underspending on the Extension of Stellenbosch Waste Water Treatment Works.
Waste management	5,316,268	13,503,198	18,819,466	21,692,830	(2,873,364)	-13%	Spending on pj 07-0101b Refuse Disposal Site - New Cell delayed due to early rains experienced.
Total	90,005,178	82,912,134	172,917,312	210,103,557	(37,186,245)	-18%	

Stellenbosch Municipality
Appendix F for the year ended 30 June 2012

APPENDIX F
STELLENBOSCH MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies Received 2012

Name of Grant	Name of Organ of State or Municipal Entity	Opening Balance	Quarterly Receipts				Quarterly Expenditure					Compliance to Revenue Act	Grants and Subsidies Delayed / Withheld
			Sept	Dec	March	June	Sept	Dec	March	June	Total		June
CONDITIONAL GRANTS & SUBSIDIES													
Municipal Infrastructure Grant	Nat Treasury	1,891,358.17	2,276,000.00	10,000,000.00	8,679,000.00	-	-	-	4,167,379.17	18,678,979.00	-	Yes	N/A
Financial Management Grant	Nat Treasury	37,284.76	1,250,000.00	-	-	-	145,076.40	931,369.87	(64,314.20)	275,152.69	-	Yes	N/A
Municipal Systems Improvement Grant	Nat Treasury	26,352.09	790,000.00	-	-	-	3,130.40	22,368.42	167,159.10	623,694.17	-	Yes	N/A
Equitable Share	Nat Treasury	-	11,332,000.00	10,353,000.00	9,244,000.00	-	5,896,460.29	1,838,099.07	1,353,866.68	21,840,573.96	-	Yes	N/A
Library Services	Dept Cultural Affairs and Sport	174,589.89	457,000.00	338,000.00	338,000.00	-	240,228.12	222,194.13	219,562.89	328,404.63	297,200.12	N/A	N/A
Regional Bulk Infrastructure Grant	Dept of Water Affairs	-	-	-	2,000,000.00	-	-	-	2,000,000.00	-	-	-	-
Integrated Transport Plan	Dept of Transport and Public Works	769,676.43	-	-	-	-	769,676.43	-	-	-	-	N/A	N/A
Maintenance of Proclaimed Roads	Dept of Transport and Public Works	1,260,405.06	-	-	1,573,194.94	-	-	-	-	2,833,600.00	-	N/A	N/A
Integrated Housing and Human Settlement Development Grant	Dept of Human Settlements	16,798,589.71	508,015.20	1,205,619.57	14,436,150.40	-	-	-	-	23,680,397.03	9,267,977.85	N/A	N/A
Community Development Worker (CDW) Operational Support Grant	Dept of Local Government	47,241.04	-	-	78,000.00	-	15,411.40	15,025.04	52,685.18	42,056.97	62.45	N/A	N/A
Cleanest Town Competition	Dept of Environmental Affairs and Development Planning	43,684.00	-	-	-	-	-	-	-	-	43,684.00	N/A	N/A
LGWSETA Skills Development	SETA	1,220,427.34	414,403.09	-	732,636.61	76,917.38	2,989.20	22,581.00	219,620.00	259,215.00	1,939,979.22	N/A	N/A
Magazine Subsidy	Dept Cultural Affairs and Sport	-	-	-	-	-	-	-	-	-	-	-	-
Reconstruction of Roads	Cape Winelands District Municipal	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Total Grants and Subsidies Received		22,269,608.49	17,027,418.29	21,896,619.57	37,080,981.95	76,917.38	7,072,972.24	3,051,637.53	8,115,958.82	68,562,073.45	11,548,903.64	0	